

in executive session, the doors were reopened, and the Senate (at 5 o'clock p. m.), under the order previously entered, took a recess until Monday, February 20, 1928, at 12 o'clock meridian.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 17 (legislative day of February 16), 1928

PROMOTIONS IN THE NAVY

To be lieutenant commander

Hugh St. Clare Sease.

To be lieutenant

Charles P. Woodson.

To be lieutenants (junior grade)

Thomas U. Sisson.

Walter D. Leach, jr.

Homer B. Wheeler.

William E. Verge.

Walter W. Siegrist.

Joseph F. Dahlgren.

To be surgeon

Norman J. Haverly.

To be passed assistant surgeons

Clifton A. Young.

Walter G. Kilbury.

To be assistant dental surgeon

Walter P. Caruthers.

To be chief boatswain

Harold L. Arnold.

MARINE CORPS

To be chief marine gunner

Michael Wodarczyk.

To be chief quartermaster clerks

Harry Halladay.

Amos E. Potts.

Walter E. Yaecker.

William J. Cahill.

Charles Wiedemann.

Joseph R. Morris.

To be chief pay clerks

Frealigh R. Powers.

John D. Erwin.

Edward J. Donnelly, jr.

Frank H. O'Neil.

Allen A. Zarracina.

POSTMASTERS

ARKANSAS

William H. Hogg, Stephens.

CONNECTICUT

William B. Simon, New Canaan.

ILLINOIS

James G. Baker, Waltonville.

Arthur P. Welborn, Woodlawn.

KANSAS

Gilbert W. Budge, St. John.

MASSACHUSETTS

Thomas Carroll, Bridgewater.

J. Francis Megley, Holbrook.

Carroll L. Bessom, Mansfield.

NORTH DAKOTA

Selmer Erfjord, Buxton.

Olaf A. Bjella, Epping.

Gusta A. Hongslo, Galesburg.

James F. McQueen, Pembina.

OHIO

Franklin Fasig, Arlington.

Charles A. Bower, Bowerston.

Ella L. Alstadt, Laurelville.

Egbert H. Mack, Sandusky.

Edna M. Gilson, Steubenville.

Mattie M. Beeson, Vandalia.

OKLAHOMA

Greenberry Peters, Texhoma.

PENNSYLVANIA

William McCandless, Catasauqua.

Lewis M. Krebs, Port Carbon.

Carl H. Borgeson, Wilcox.

TEXAS

Ethyl H. Williams, Angleton.

Gertrude N. Merrill, Buffalo.

David A. Young, Commerce.

Bradley Miller, Cooleedge.

William R. Dotson, Jewett.

William H. Dodd, Langtry.

Charles A. Duff, Legion.

John M. Cape, San Marcos.

VIRGINIA

John J. Carper, Pearisburg.

John L. Jeffries, Vienna.

WEST VIRGINIA

Everett B. Wray, Glen White.

Charlie F. Baldwin, Madison.

Claude Pepper, Salem.

HOUSE OF REPRESENTATIVES

FRIDAY, February 17, 1928

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

"Thy will be done." It sometimes may be very difficult, our Heavenly Father. It may summon us to surrender personal ease; it may cost us the disdain of the world; it may demand of us to give up friendship. Help us to brave all entreaties and commands and be a force that nothing can retard nor withstand. "Love never falleth." Oh, what a radiant flower, whose perfume is always refreshingly fragrant. In it there is no bitterness and no acid in its fruit. It is a freedom from all impurity and an absence from all despair. It is so sweet, healthy, and sane. Teach us, O God, as we are passing on, that "Now abideth faith, hope, love—these three, but the greatest of these is love." Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment bills of the following titles:

H. R. 7032. An act authorizing the Valley Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Cumberland River at or near Canton, Ky.;

H. R. 7033. An act authorizing the Valley Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Cumberland River at or near Iuka, Ky.;

H. R. 7034. An act authorizing the Midland Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Cumberland River at or near Smithland, Ky.;

H. R. 7035. An act authorizing the Midland Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Tennessee River at or near the mouth of Clarks River; and

H. R. 7036. An act authorizing the Valley Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Tennessee River at or near Eggners Ferry, Ky.

ENROLLED BILL SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled a bill of the following title, when the Speaker signed the same:

H. R. 9660. An act authorizing the city of Louisville, Ky., to construct, maintain, and operate a toll bridge across the Ohio River at or near said city.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. SIMMONS, by direction of the Committee on Appropriations, reported the bill (H. R. 11133) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1929, and for other purposes, which was read a first and second time and, with the accompanying papers, ordered printed and referred to the Committee of the Whole House on the state of the Union.

Mr. GRIFFIN. Mr. Speaker, I reserve all points of order.

THE LATE LAIRD HOWARD BARBER

Mr. KENT. Mr. Speaker, I ask unanimous consent to proceed for one minute.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for one minute. Is there objection?

There was no objection.

Mr. KENT. Mr. Speaker, it is my sad duty to announce to the House of Representatives the death of Hon. Laird Howard Barber, of East Mauch Chunk, Carbon County, Pa. He died yesterday morning at 7 o'clock at his home, surrounded by his family and many intimate friends, at the age of 79 years.

He was born near Mifflinburg, Union County, Pa., October 25, 1848, and prepared for college in the Mifflinburg Academy. He graduated from Lafayette College, Easton, Pa., in 1871. For several years he was principal of the Mauch Chunk public schools, then studied law, and was admitted to the bar of Carbon County June 20, 1881. He was elected as a Democrat to the Fifty-sixth Congress and served with distinction and to the entire satisfaction of his constituents in that Congress from March 4, 1899, to March 3, 1901. He was not a candidate for reelection and resumed the practice of law in Mauch Chunk, Pa.

In 1913 he was elected president judge of the judicial district of Carbon County, was reelected in 1923, and was active as a jurist until a few days before his death.

He was careful and conscientious as a lawyer and statesman, thorough and profound as a jurist, and dignified always. He will be missed by all who knew him.

My State has lost a great and good citizen, a valuable public servant, and a fine Christian gentleman.

I want personally to attest to the fine character and sterling worth of my departed constituent.

Mr. Speaker, I ask for leave of absence for one legislative day to attend the funeral of Judge Barber to-morrow.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

GENERAL CLAIMS BILL

The SPEAKER. When the House adjourned yesterday the previous question had been ordered on the bill H. R. 9285 and all amendments thereto. Is a separate vote demanded on any amendment? If not, the Chair will put them in gross. The question is on agreeing to the amendments.

The amendments were agreed to.

The SPEAKER. The question is now on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 65, noes 12.

Mr. BLANTON and Mr. RAMSEYER objected to the vote and made the point of order that there was no quorum present.

The SPEAKER. It is evident there is not a quorum present. The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 280, nays 65, not voting 88, as follows:

[Roll No. 35]

YEAS—280

Abernethy	Colton	Gibson	Kvale
Ackerman	Combs	Gifford	LaGuardia
Adkins	Connally, Tex.	Gilbert	Langley
Aldrich	Cooper, Ohio	Glynn	Lankford
Allen	Corning	Goodwin	Lea
Allgood	Cox	Gregory	Leavitt
Andresen	Crall	Green, Fla.	Leach
Andrew	Cramton	Green, Iowa	Leibach
Arentz	Crisp	Greenwood	Letts
Arnold	Crosser	Griest	Lindsay
Auf der Heide	Cullen	Griffin	Linthicum
Bacharach	Dallinger	Guyer	Lowrey
Bachmann	Darrow	Hadley	Lozier
Bacon	Davenport	Hale	Luce
Barbour	Dempsey	Hall, Ill.	McClintic
Beck, Wis.	Denison	Hall, Ind.	McFadden
Beers	De Rouen	Hall, N. Dak.	McKeown
Begg	Dickinson, Iowa	Hammer	McLaughlin
Bell	Dickinson, Mo.	Hancock	McLeod
Berger	Doughton	Hardy	McReynolds
Black, N. Y.	Douglass, Mass.	Hastings	McSweeney
Black, Tex.	Drane	Hawley	Madden
Bland	Driver	Hersey	Magrady
Bloom	Eaton	Hickey	Major, Ill.
Bowles	Edwards	Hill, Wash.	Major, Mo.
Bowman	Elliott	Hoch	Mapes
Box	England	Hoffman	Martin, La.
Brand, Ga.	Englebright	Hogg	Martin, Mass.
Brand, Ohio	Evans, Calif.	Holaday	Mead
Brigham	Fenn	Hooper	Menges
Browne	Fish	Hope	Merritt
Buckbee	Evans, Mont.	Howard, Okla.	Michener
Bulwinkle	Faust	Hudson	Miller
Burdick	Fisher	Hudspeth	Monast
Burtess	Fitzgerald, Roy G.	Hughes	Moore, Ky.
Burton	Fitzgerald, W. T.	Hull, Morton D.	Morin
Butler	Fletcher	Hull, Wm. E.	Morrow
Campbell	Fort	Irwin	Murphy
Carew	Frear	Jacobstein	Nelson, Me.
Chalmers	Free	Johnson, Ind.	Nelson, Mo.
Chapman	Freeman	Johnson, Okla.	Nelson, Wis.
Chase	French	Kading	Newton
Chindblom	Frothingham	Kahn	Niedringhaus
Clancy	Fulmer	Kearns	Norton, N. J.
Clarke	Furlow	Kemp	O'Brien
Cochran, Mo.	Gambrill	Kerr	O'Connell
Cochran, Pa.	Garber	Ketcham	O'Connor, La.
Cohen	Gardner, Ind.	Kiess	Oliver, N. Y.
Cole, Iowa	Garrett, Tex.	Kopp	Palmisano
Collier	Gasque	Korell	Parker

Parks	Selvig	Swing
Peavey	Shreve	Taber
Porter	Simmons	Tarver
Pou	Sinclair	Tatgenhorst
Pratt	Sinnott	Taylor, Tenn.
Ragon	Sirovich	Temple
Rainey	Smith	Thatcher
Ransley	Snell	Thurston
Reed, Ark.	Somers, N. Y.	Tillman
Reed, N. Y.	Spearing	Tilson
Reid, Ill.	Sproul, Ill.	Timberlake
Robinson, Iowa	Sproul, Kans.	Tinkham
Robison, Ky.	Stalker	Treadway
Rogers	Stedman	Underhill
Rowbottom	Steele	Underwood
Rutherford	Strong, Kans.	Vestal
Sabath	Summers, Wash.	Vincent, Mich.
Schafer	Summers, Tex.	Vinson, Ga.
Sears, Nebr.	Swank	Vinson, Ky.
Seger	Swick	Wainwright

NAYS—65

Almon	Collins	Jones	Rankin
Aswell	Cooper, Wis.	Kent	Rayburn
Ayres	Crowther	Kincheloe	Romjue
Bankhead	Davis	King	Rubey
Beedy	Dyer	Lanham	Sanders, Tex.
Blanton	Eslick	McDuffie	Sandlin
Bowling	Fulbright	Mansfield	Speaks
Briggs	Garner, Tex.	Milligan	Stevenson
Browning	Hare	Montague	Taylor, Colo.
Buchanan	Harrison	Morehead	Weish, Pa.
Busby	Howard, Nebr.	Morgan	Williams, Mo.
Byrns	Huddleston	Norton, Nebr.	Williams, Tex.
Cannon	Hull, Tenn.	Oldfield	Wilson, La.
Carss	Jeffers	Oliver, Ala.	Wilson, Miss.
Cartwright	Jenkins	Perry	
Christopherson	Johnson, Tex.	Quin	
Clague	Johnson, Wash.	Ramseyer	

NOT VOTING—88

Anthony	Doyle	Kurtz	Rathbone
Beck, Pa.	Drewry	Lampert	Reece
Bohn	Estep	Larsen	Sanders, N. Y.
Boies	Fitzpatrick.	Leatherwood	Schnelder
Boylan	Foss	Lyon	Sears, Fla.
Britten	Gallivan	McMillan	Shallenberger
Bushong	Garrett, Tenn.	McSwain	Stegall
Canfield	Golder	MacGregor	Stobbs
Carley	Goldsborough	Maas	Strong, Pa.
Carter	Graham	Manlove	Strother
Casey	Haugen	Michaelson	Sullivan
Celler	Hill, Ala.	Mooney	Sweet
Connery	Houston, Del.	Moore, N. J.	Thompson
Connolly, Pa.	Igoe	Moore, Ohio	Tucker
Curry	James	Moore, Va.	Udlike
Davey	Johnson, Ill.	Moorman	Weller
Deal	Johnson, S. Dak.	O'Connor, N. Y.	White, Colo.
Dickstein	Kelly	Palmer	Williamson
Dominick	Kendall	Perkins	Wingo
Douglas, Ariz.	Kindred	Prall	Wood
Doutrich	Knutson	Purnell	Woodrum
Dowell	Kunz	Quayle	Yon

So the bill was passed.

The Clerk announced the following pairs:

Until further notice:

Mr. Purnell with Mr. Canfield.
 Mr. Connolly of Pennsylvania with Mr. Deal.
 Mr. Manlove with Mr. Garrett of Tennessee.
 Mr. Britten with Mr. Dominick.
 Mr. Dowell with Mr. Gallivan.
 Mr. Sweet with Mr. Boylan.
 Mr. Graham with Mr. Tucker.
 Mr. Wood with Mr. Stegall.
 Mr. Johnson of Illinois with Mr. Davey.
 Mr. Kendall with Mr. Prall.
 Mr. MacGregor with Mr. Woodrum.
 Mr. Thompson with Mr. Sears of Florida.
 Mr. Stobbs with Mr. Quayle.
 Mr. Perkins with Mr. Casey.
 Mr. Anthony with Mr. Igoe.
 Mr. Bohn with Mr. Celler.
 Mr. Moore of Ohio with Mr. Kunz.
 Mr. Reece with Mr. Hill of Alabama.
 Mr. Foss with Mr. Kindred.
 Mr. Kurtz with Mr. White of Colorado.
 Mr. Lampert with Mr. Moorman.
 Mr. Maas with Mr. Carley.
 Mr. Strother with Mr. Douglas of Arizona.
 Mr. Rathbone with Mr. Wingo.
 Mr. Curry with Mr. Drewry.
 Mr. Beck of Pennsylvania with Mr. Yon.
 Mr. Palmer with Mr. O'Connor of New York.
 Mr. Golder with Mr. Larsen.
 Mr. Houston of Delaware with Mr. McSwain.
 Mr. Michaelson with Mr. Sullivan.
 Mr. Sanders of New York with Mr. Moore of New Jersey.
 Mr. Doutrich with Mr. Lyon.
 Mr. Estep with Mr. Dickstein.
 Mr. Johnson of South Dakota with Mr. Mooney.
 Mr. Kelly with Mr. Goldsborough.
 Mr. Leatherwood with Mr. Moore of Virginia.
 Mr. Williamson with Mr. Weller.
 Mr. James with Mr. Doyle.
 Mr. Knutson with Mr. Fitzpatrick.
 Mr. Bushong with Mr. Connery.
 Mr. Udlike with Mr. McMillan.
 Mr. Carter with Mr. Shallenberger.

The result of the vote was announced as above recorded.

On motion of Mr. UNDERHILL, a motion to reconsider the vote whereby the bill was passed was laid on the table.

SETTLEMENT OF THE INDEBTEDNESS OF THE KINGDOM OF THE SERBS,
CROATS, AND SLOVENES

Mr. GREEN of Iowa. Mr. Speaker, I call up the bill (H. R. 367) to authorize the settlement of the indebtedness of the Kingdom of the Serbs, Croats, and Slovenes.

The SPEAKER. The gentleman from Iowa calls up a bill, which the Clerk will report.

The Clerk read the title of the bill.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that this bill may be considered in the House as in Committee of the Whole.

The SPEAKER. The gentleman from Iowa asks unanimous consent that this bill may be considered in the House as in Committee of the Whole. Is there objection? (After a pause.) The Chair hears none. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Kingdom of the Serbs, Croats, and Slovenes to the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 106, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

SEC. 2. The amount of the indebtedness to be funded after allowing for certain cash payments made by the Kingdom of the Serbs, Croats, and Slovenes is \$62,850,000, which has been computed as follows:

Principal of obligations acquired for cash advanced under Liberty bond acts	\$26,126,574.59	
Accrued and unpaid interest at 4½ per cent per annum to Dec. 15, 1922	4,703,423.14	\$30,199,997.73
Principal of obligations acquired by Secretary of War for surplus war supplies sold on credit	24,978,020.99	
Accrued and unpaid interest at 4½ per cent per annum to Dec. 15, 1922	3,358,790.45	28,336,811.44
		58,536,809.17
Accrued interest at 3 per cent per annum from Dec. 15, 1922, to June 15, 1925		4,390,260.69
		62,927,069.86
Credits:		
Payments on account of principal since Dec. 15, 1922	66,709.19	
Interest thereon at 3 per cent to June 15, 1925	3,248.28	69,957.47
Total net indebtedness as of June 15, 1925		62,857,112.39
To be paid in cash upon execution of agreement		7,112.39
Total indebtedness to be funded into bonds		62,850,000.00

SEC. 3. The principal of the bonds shall be paid in annual installments on June 15 of each year up to and including June 15, 1987, on a fixed schedule subject to the right of the Kingdom of the Serbs, Croats, and Slovenes to postpone such payments falling due after June 15, 1937, for two years, such postponed payment to bear interest at the rate of 4½ per cent per annum. The amount of the annual principal installments during the first five years shall be \$200,000. Commencing with the sixth year the annual principal installment shall increase \$25,000 a year for the succeeding seven years. Commencing with the thirteenth year the annual principal installment will be \$400,000, the subsequent annual principal installments increasing until in the sixty-second year of the debt funding period the final principal installments shall be \$2,406,000, the aggregate principal installments being equal to the total principal of the indebtedness to be funded into bonds.

SEC. 4. The Kingdom of the Serbs, Croats, and Slovenes shall have the right to pay off additional amounts of principal of the bonds on June 15 and December 15 in any year.

SEC. 5. The bonds to be issued shall bear no interest until June 15, 1937, and thereafter shall bear interest at the rate of one-eighth of 1 per cent per annum from June 15, 1937, to June 15, 1940; at the rate of one-half of 1 per cent per annum from June 15, 1940, to June 15, 1954; at the rate of 1 per cent per annum from June 15, 1954, to June 15, 1957; at the rate of 2 per cent per annum from June 15, 1957, to June 15, 1960, and at the rate of 3½ per cent per annum after June 15, 1960, all payable semiannually on June 15 and December 15 of each year, until the principal thereof shall have been paid.

SEC. 6. Any payment of interest or principal may be made at the option of the Kingdom of the Serbs, Croats, and Slovenes in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Mr. GREEN of Iowa. Mr. Speaker, this bill was unanimously reported by the Committee on Ways and Means. It was favorably reported at the last session and passed the House at the last session, and, so far as I know, there is no particular

opposition to it. It was also favorably reported by the Senate Finance Committee, but was lost in the Senate filibuster, otherwise it would be a law by this time.

I can not explain the provisions of the bill any more particularly than they are explained by the bill itself. The amount of the indebtedness as funded is fixed at \$62,850,000, of which fifty-one million and odd dollars represents principal and eleven million and odd dollars represents interest. The total payments to be made to us are \$95,177,635. On a 4½ per cent basis the present value of these payments is \$20,236,000, or about 32 per cent of the debt funded. On a 3 per cent basis the value is \$30,286,000, or about 50 per cent.

This Kingdom is one of the poorest countries we have had anything to do with. The gentleman from Georgia [Mr. CRISP], who is a member of the Debt Commission and is very familiar with this, I think, can explain the details possibly a little better than I can.

Mr. BLANTON. Would the gentleman mind answering a question?

Mr. GREEN of Iowa. Not at all, but I think possibly the gentleman should ask his question of the gentleman from Georgia.

Mr. BLANTON. I should like to ask it of the chairman of the committee. This Congress gave the Government of France one of the most liberal and generous settlements that one country could be expected to give another. Does the gentleman know of one single act the French Government has ever taken toward ratifying that debt settlement?

Mr. GREEN of Iowa. No; I do not.

Mr. BLANTON. What are we going to do about it? Are we going to continue to let her float her loans in this country and continue taking good American money over to France or are we going to stop such transactions?

Mr. GREEN of Iowa. I can not answer that question, because I do not control those matters.

Mr. BLANTON. But the gentleman could do this: The gentleman could pass the resolution that I have had pending before his committee for a long time, to stop the cashing of French bonds or the flotation of such loans in this country until France does ratify the debt settlement we made with her.

Mr. GREEN of Iowa. I could if I had sufficient votes, but I have some doubt about that.

Mr. BLANTON. If the gentleman would pass that resolution and stop France from getting new money in this country, I think she would then do something quickly about this settlement.

Mr. GREEN of Iowa. Possibly, but that is not before the House.

The country involved in this bill is a very poor country and is ready to settle.

I now yield to the gentleman from Georgia [Mr. CRISP].

Mr. CRISP. Mr. Speaker and gentlemen of the House, as a member of the Debt Commission before it went out of existence, I agreed to this settlement. It is a very generous settlement on the part of the United States, but in my opinion the settlement represents the full capacity of Yugoslavia to pay its indebtedness to the United States.

As you know, the Yugoslavian Kingdom was set up as a result of the war. It is the old Kingdom of Serbia with new territory added to it. During the war we advanced to Serbia approximately \$25,000,000 in cash and about \$30,000,000 in war supplies. Serbia was fighting with the Allies. Serbia was overrun by the armies of Germany three times, and there was greater devastation in Serbia and the territory now embracing Yugoslavia than any of the European countries.

It has about 50,000,000 acres of land and 30 per cent of it is in forest. A very small part of the land, owing to the mountainous character of the kingdom, is arable. Yugoslavia has practically no industries. Only 5 per cent of her population are engaged in industrial activities, the rest being engaged in agricultural pursuits. They barely make enough crops to feed themselves, and Yugoslavia has to import a great part of her food supplies consumed by her citizens residing in the cities.

The railroads were practically all destroyed during the war, with the bridges and culverts destroyed, and up until now they have not been permanently repaired, although there have been some temporary repairs. About the only fund Serbia has had for this purpose is from reparations from Germany, and the reparations were principally property in kind, railroad iron, cars, and things of that kind. Yugoslavia has received very little cash on account of the German reparations.

It was shown to the Debt Commission without doubt that Yugoslavia financially was the poorest off of any of our debtors; that the standard of living in Yugoslavia is lower than the standard of living of any other of our debtor class, and, of

course, this standard of living is not from choice but is from necessity.

Mr. LOWREY. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. LOWREY. What is the population of this country?

Mr. CRISP. The population is between 12,000,000 and 13,000,000 people.

Mr. GARNER of Texas. May I ask the gentleman a question?

Mr. CRISP. Yes.

Mr. GARNER of Texas. Does the report show what percentage of the total amount due this settlement represents?

Mr. CRISP. Reduced to present cash value?

Mr. GARNER of Texas. Yes; does the report show that?

Mr. CRISP. I think it does; but if it does not, I will answer the question.

Mr. GARNER of Texas. I wish the gentleman would do that.

Mr. CRISP. The total amount of the indebtedness funded, including the cash advanced and the war supplies furnished with interest up to the date of settlement, is \$62,850,000. If this settlement is complied with, the United States will receive back \$95,177,635.

Mr. MORTON D. HULL. How much of that is principal and how much is interest?

Mr. CRISP. We advanced in cash \$26,000,000 and the interest on that at 4½ per cent, to December, 1922, the date of settlement, was \$4,000,000, making the principal and interest under that item amount to approximately \$30,000,000. We advanced war supplies amounting to \$24,978,020 and the interest on that was \$3,358,000, making a total of \$28,336,811, including the principal and interest. The total amount of the debt, including principal and interest to date of settlement is \$62,850,000.

The SPEAKER. The time of the gentleman from Georgia has expired.

Mr. CRISP. Mr. Speaker, I ask unanimous consent that I may proceed for 10 minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. GARNER of Texas. I just want to get into the RECORD—

Mr. CRISP. I will answer the gentleman's question right now. These payments are to be made over a period of 62 years. Reducing them to the present cash value, such value will, of course, depend on the rate of interest upon which the calculation is made, but if you put it on a rate of interest of 4½ per cent, the present cash value would amount to \$20,000,000, or 32 per cent of the debt funded. On a 3 per cent basis the present cash value would be \$30,000,000, or 59 per cent of the principal.

Mr. SCHAFER. Will the gentleman yield?

Mr. CRISP. Yes.

Mr. SCHAFER. Were these amounts advanced for war supplies advanced prior to the end of the World War or were some of the advances made subsequent to the end of the World War?

Mr. CRISP. I am not absolutely sure, but I think some of them were made after the World War.

Mr. BURTON. If the gentleman will excuse me, I think I can answer that question. The advances in cash, prearmistice, were \$10,605,000; postarmistice \$15,454,000, just about in the proportion of three after the armistice and two before.

Mr. ARENTZ. Will the gentleman yield?

Mr. CRISP. Certainly.

Mr. ARENTZ. If I remember correctly, during the time of the discussion on the Italian debt settlement either the gentleman from Georgia or the gentleman from Ohio [Mr. BURTON] made the statement that the average wage in Italy was \$100 a year, the lowest living wage in the world with the exception of the Asiatic countries. Now the gentleman says that Yugoslavia is still lower in the standard of living than Italy. Is this true?

Mr. CRISP. Yes; when the Italian settlement was presented to the House, which was prior to this settlement, all the data and information obtained by the Debt Commission showed that the standard of living in Italy was the lowest of any country in Europe that we had dealt with, and I think that is true. This settlement came later, and while I personally have no first-hand information as to the standard of living, for I have never visited there, but when this settlement came up it was represented to the commission and conclusively proved that the standard of living of these people was lower than any other country in Europe. I am not speaking from first-hand information.

Mr. ARENTZ. Does the gentleman know what the average wage is in Yugoslavia?

Mr. CRISP. I did know, but I can not recall. I did not know this matter was coming up until a few moments ago. The settlement was made in January, 1926, and passed the House in May, 1926. I have not had time to refer to my files or to any documents connected with the settlement to refresh my memory at all. I have had many other matters on my mind since 1926, and I did not know until 12 o'clock to-day that this case was coming up.

As I stated, this is a very generous settlement on the part of the United States.

For the first 12 years no interest is to be paid. For the first five years Yugoslavia is to pay \$200,000 a year to the United States. For the seven succeeding years that \$200,000 is to be increased \$25,000 a year. Beginning in 1937, interest is to be paid at a nominal rate of one-eighth of 1 per cent, which is practically no interest. Then we increase from one-half to 1 per cent, and the last 27 years it is to bear 3 per cent interest. But when this settlement is carried out by Yugoslavia, I, as an American Congressman, will be indeed proud and delighted. If it is carried out the United States Government will get back all the principal for cash, war supplies, and about \$11,000,000 interest in addition.

This settlement was based on the same basis as all the other settlements made by the Debt Commission on the capacity of the nation to pay.

Now I believe that every individual and every nation should meet by paying 100 cents on the dollar and interest, every moral and legal obligation if it is able to do so.

The only excuse for compromising a moral or legal obligation is the incapacity or inability to pay in full. Many honorable people owing just legal debts are unable to pay in full; they do the best they can to make a compromise, and any business house, whether individual or corporate, if they have an insolvent debt where they can not collect 100 cents they collect what they can. A half a loaf is better than no loaf. This common sense, hard-headed business rule was followed by the Debt Commission. In my opinion, the validity of the international contracts and international obligations should remain sacred and settlement had on the capacity of the debtor nation to pay. The commission was of the opinion that this settlement represented the full maximum capacity of Yugoslavia to pay, and as a member of the commission I agreed to it, and as a Member of this House I am supporting it, for I think the settlement considering all the facts and equities—the loans were not made for commercial purposes but to aid in carrying on a mutual war—reflect credit on the United States and Yugoslavia.

Mr. GREEN of Iowa. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. GREEN of Iowa. In view of the poverty of this country, in view of the fact that it was so completely ravaged, being almost from one end to the other a battle ground during the war, with very little resources, and those largely taken away from it, and in view of the further fact that we all know its recovery is necessarily very slow, because it has practically no industrial concerns, does not the gentleman think that we would be very fortunate if we get this sum in full?

Mr. CRISP. Unquestionably. I expressed the thought that I would be delighted if we collected from Yugoslavia the amounts provided for in this settlement.

Mr. GARNER of Texas. Mr. Speaker, will the gentleman yield?

Mr. CRISP. Yes.

Mr. GARNER of Texas. In view of all of the circumstances I am surprised that you got as advantageous a settlement out of Yugoslavia as you have related. As I understand it, the percentage they pay is a higher percentage of what they owe the United States than Italy pays.

Mr. CRISP. On the percentage based on similar rates of interest, I think the Italian settlement was about 30 per cent and this is 59 per cent, that is, on a 4½ per cent basis, and on a 3 per cent basis it is 32 per cent higher than the Italian settlement.

Mr. BURTON. Mr. Speaker, I am somewhat in the position of the theological professor who was asked some questions about the atonement. He said, "In the sixth volume of my works, on page 450, you will find out all about that." The student replied that he had examined that statement, and that it was not entirely clear. The professor then said, "Well, those are the best views that I have on the subject."

If anyone wishes to refer to this subject more fully, I refer him to page 10737 of the CONGRESSIONAL RECORD for the last Congress, in a discussion had at that time on June 4, 1926.

There is very little to add to what Mr. CRISP and Mr. GREEN of Iowa have so excellently said. Some of the figures I shall

try to make a little more clear, but I do wish to review very briefly the policy of the Debt Commission.

The first rule was that the principal of the debts should be paid in full. Second, that in the payment of that principal, the utmost leniency, compatible with that which is right as between the parties, should be exercised in the rates of interest and the time for payment. The time for payment was fixed at 62 years in the settlements made. The third point was that the capacity of the country to pay should be taken into account. The question has been raised here as to why the Kingdom of the Serbs, Croats, and Slovenes—Yugoslavia—should not have been treated quite so favorably as Italy. If you figure on the basis of four and a quarter per cent, Italy pays 26 per cent in her payments, while Yugoslavia pays 32. For that discrimination, if you may call it such, there are two reasons. In the first place, the debt of Yugoslavia is very much smaller than that of Italy. The principal sum of the debt of Yugoslavia, prior to funding, was figured at \$66,164,000, while that of Italy was \$2,150,000,000—thirty-two times as great. The per capita debt of Italy is very much larger than the per capita debt of Yugoslavia; but there is another reason more compelling, and that is a very large share of the loans and advances made to Yugoslavia was after the armistice. Whenever anyone criticizes our settlements with foreign countries I wish that he who answers would emphasize the fact that a large share of the loans and advances were made after the armistice, when threat of war was very remote. The amount in money advanced to Yugoslavia, or the Kingdom of the Serbs, Croats, and Slovenes, was \$10,605,000 before the armistice, which was the virtual close of the war. After that the advances amounted to \$15,454,000, so that the proportion of advances after the war was as one and one-half to one. Then, again, the value of surplus supplies, largely for food and clothing—it was not so largely for military supplies—and that mostly after the armistice, amounted to about \$25,000,000, making in all approximately \$51,000,000 of principal, and the interest up to June 15, 1925, makes in all \$62,850,000.

Before leaving this subject I desire to answer the argument that is made in Europe and is made perhaps even with a louder note in our own country, about the manner in which we have treated our foreign debtors. I say here, and I have said everywhere, that any accusation of severity against the United States is entirely unwarranted. We were actuated by the principles of generosity in the settlements of our debts with all of these countries. Let us look at the settlement of Yugoslavia for a minute. The principal sum, computed as of June 15, 1925, after the payment of the trivial amount of \$7,000 and a little over, is, as I said, \$62,850,000. The payment begins at only \$200,000 a year, without any charge for interest whatever. At the end of five years there is an increase to \$225,000, then to \$250,000, then to \$275,000, and then to \$300,000, and the final payment of principal in 1987 is \$2,406,000. No interest is charged until June 15, 1937. Thereafter it is one-eighth of 1 per cent from 1937 to 1940. Then one-half of 1 per cent, rising by gradation through 1 per cent and 2 per cent, finally to 3½ per cent from 1960 to 1987.

Let me call your attention to the total expenditures of the Kingdom of the Serbs, Croats, and Slovenes, and how large a burden it is on them. The total annual expenditures, according to the last available statement, amount to about 10,000,000,000 dinars, as they are called. The nominal par value of the dinar is the same as that of the French franc, 19.3 cents, but the present gold value is less than one-tenth of that.

At the depreciated rate of exchange the total annual expenses amount in gold value to approximately \$180,000,000, and of that we are asking them for the first five years an annual payment of only \$200,000, and the last and largest payment, without the computation of interest, is \$2,406,000. Interest will be \$84,210. Is that unduly severe? Note how very small a percentage of their total expenses must be paid to us.

Now, I want to make another comparison. They are expending to-day in the way of military expenses \$36,000,000 a year for the maintenance of their military establishment, gold value. The amount computed in dinars is 1,956,000,000, or close to 2,000,000,000 dinars, of the gold value of \$36,000,000, as against this payment of \$200,000.

Now, when a careful survey is made of the situation, it is apparent that the accusations made here and abroad against the United States are utterly incorrect and should fall to the ground.

Mr. ABERNETHY. Mr. Speaker, will the gentleman yield there?

Mr. BURTON. Yes.

Mr. ABERNETHY. Would the gentleman care to give us his views as to the status or prospect of getting anything out of the French Government on account of our loans to it?

Mr. BURTON. I would not want to go into that. I think their feeling is that they must first stabilize the franc. Of course, there is a very strong sentiment in France opposed to the settlement on the basis adopted here in the House and approved by the French ambassador and their cabinet. But I am hopeful of a settlement and the acceptance of the terms we made.

Mr. BRAND of Georgia. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Yes.

Mr. BRAND of Georgia. Does this settlement include loans made subsequent to the armistice?

Mr. BURTON. Yes.

Mr. BRAND of Georgia. Did the settlements heretofore made with creditor nations include the loans made to them since the armistice?

Mr. BURTON. In the case of this country, yes. All these claims are included.

Mr. BRAND of Georgia. All of them?

Mr. BURTON. Yes; all of them.

Mr. GIFFORD. Mr. Speaker, will the gentleman yield?

Mr. BURTON. Yes.

Mr. GIFFORD. Some of us under the questioning of our constituents find it easy to say that we had a splendid commission, and that they regarded the capacity of the debtor country to pay. I hope the gentleman will tell us this morning how we can explain the application of a 62-year yardstick to every country, whether it is small or large. I sometimes find myself asking myself in a spirit of ridicule questions in relation to this 62 years.

The SPEAKER. The time of the gentleman from Ohio has expired.

Mr. GIFFORD. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for three minutes more.

Mr. LAGUARDIA. Make it five minutes.

The SPEAKER. Is there objection?

There was no objection.

The SPEAKER. The gentleman is recognized for five minutes more.

Mr. BURTON. The first settlement that was discussed elaborately was that with England. On the marshaling of figures so that the payments would have some degree of equality in the aggregate or total of principal and interest each year, as, for example, 3 per cent in the first 10 years and then 3½ per cent, it was found that if you make the aggregate of principal and interest equal, 62 years' time would be required.

That was the reason; also with the thought of giving plenty of time for payment, 62 years was fixed upon in the settlement with England. It was thought that in the settlement with other countries the same time should be adopted. Of course, the gentleman from Massachusetts will recognize that the interest is diminished each year by the payment of principal, though there is an increase by the change from 3 per cent to 3½ per cent. On the other hand, payments of principal increase. I believe that the settlement with Finland was the next settlement after that made with Great Britain.

Mr. GIFFORD. In determining the capacity of the country to pay, it seems hard for people to understand that the capacity to pay should be measured exactly by the 62-year limit.

Mr. BURTON. I do not think the period was fixed with the idea entirely of the capacity to pay; but the capacity of the debtor country to pay was carefully taken into consideration. The long period is in part explained under the other fact I mentioned, namely, that this country should show the greatest possible degree of leniency consistent with what was right and fair to the country with which we are dealing.

Mr. SHALLENBERGER. Mr. Speaker, will the gentleman yield there?

Mr. BURTON. Yes.

Mr. SHALLENBERGER. Will the gentleman include in his remarks a statement of just how much of the money and property we advanced to the people of Europe before the armistice, and how much was advanced after the armistice?

Mr. BURTON. Yes. I am exceedingly reluctant ever to ask to insert any remarks of my own in the Record, and I think I have never made a request on the floor of the House to that effect. But there is an address that I delivered in joint discussions with divers persons that is contained in the *Kiwanis Magazine*, giving the figures requested. Although it is contrary to my practice heretofore, I will ask unanimous consent to have that printed in the Record.

The SPEAKER. The gentleman from Ohio asks unanimous consent to insert in his remarks an article written or an address delivered by himself. Is there objection?

There was no objection.

Mr. BURTON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following article written by myself:

INTERNATIONAL WAR DEBTS

From a moral standpoint, the action of a country which asks that loans made by it to other countries shall be repaid can not as a general proposition be criticized. It is a general rule not only in public but private transactions that obligations incurred must be met.

During the war there were numerous discussions and communications between the United States and the other governments in regard to the advances made. It is true that there were individual expressions in Congress when the subject of making loans to those nations who were termed "at war with the enemies of the United States" was under consideration to the effect that the question of payment was not material. We had entered the war; it was regarded as a life and death struggle between the United States and her allies on the one side and the Central Powers on the other. Nevertheless, responsible expressions of officials were all against cancellation; propositions made at Versailles that the expenses of the war be pooled were not received with favor; suggestions to the Treasury Department coming from foreign officials advocating a revision or cancellation were promptly rejected. Secretary of the Treasury Houston on March 1, 1920, and President Wilson, in his reply to a letter from Premier Lloyd-George, on November 3, 1920, unequivocally stated their opposition to any suggestion of cancellation, and the same reply was communicated by other officials of the United States Government. Action in Congress was all to the same effect.

At the very beginning of our participation in the war Premier Ribot, of France, when he heard it was proposed that we make an advance as a contribution, expressed the hope to our ambassador that no resolution would be introduced or debated in Congress tending to make a gift to the Government of France from the United States, however much the sentiment of good will prompting it might be appreciated by the French people. The French Minister of Finance suggested that 30 years should be the period for amortization or payment. Premier Poincaré also has frequently stated that France recognized the validity of their debt and intends to pay it. In the confusion following the war, and in view of the very serious financial embarrassment of our allies, no active measures were taken for collection, but it should be said that partial payments were made by certain nations.

WHY SHOULD THE UNITED STATES REQUIRE PAYMENT?

What are some of the reasons why the United States should require payment, at least to the extent of the capacity of her debtors? In the first place, there is the sanctity of international obligations, especially between governments. Distinct promises to pay were made by our debtors; the legislation authorizing advances to other countries contained provisions relating to rates of interest and relating to the disposition of the money when repaid. There is no argument that can be derived from the contemporaneous transactions which would lead to the belief that release or cancellation was contemplated. There is not only the sanctity of these obligations but the question may well be asked: Would it be best for the borrowing countries themselves if these debts should be repudiated? If later a great emergency should arise, it would be impossible for them to obtain the needed credit, either from the Government of the United States or from private individuals.

The second reason for repayment is that these loans to foreign governments were not made from current funds or from an overflowing Treasury but the amounts were obtained by borrowing from our own people. An intensive campaign was conducted to obtain money for our own participation in the war and for these loans to our allies, with certainly a general understanding that the amounts would be repaid. Thus there is this very important phase of the situation—the Government of the United States is a trustee for the American people. Anyone who advocates the cancellation of these debts, and is thoroughly sincere, should bring his bonds to the Treasury and give them up for the benefit of the persons who subscribed these vast sums for loans to our allies. In the next place, rich as we are and enjoying as we do now the most favorable conditions, our sacrifices proportionately were as great as those of any European country or any of our allies. If we are a fortunate nation now and the wonder of the world, we were fortunate before the war. Our debt then was less than a billion of dollars. We expended \$35,000,000,000 in the prosecution of the war. We incurred a debt which at one time amounted to \$25,500,000,000. We have been paying \$800,000,000 of annual interest, and however much this burden may be diminished it will rest upon the American people with heavy weight for many years to come. As a direct result of the war, we expended \$492,000,000 in the fiscal year ended June 30, 1927, for the Veterans' Bureau, and propositions are now pending to increase that amount.

We were by no means in the same dangerous position as our allies. When we entered the war it was not as the result of a threat to our safety or of long-standing animosities with any country. We were detached in the New World. We were profiting by the furnishing of supplies to the combatants. We were not compelled to send our young men across the sea to be shot to death in the trenches. While our entrance into the war was precipitated by insults and by inter-

ference with our rights, which we could not tolerate, there was, nevertheless, a large element of altruism in our action, a desire for the perpetuation of popular institutions, and a feeling that our allies were in the right. On the other hand, if we consider the countries with which we joined in the contest, their very life was at stake. At one time the armies of the Central Powers advanced within 15 miles of Paris. If the Allies' armies had been defeated, the indemnities imposed upon them would no doubt have been far and away greater than the \$10,000,000,000 debt which they owe to us.

Again, let us take the results of the war. We have claimed no large reparations, no accessions of territory. Some of our allies have even multiplied their areas, and every one of them has been benefited by additional territory, which must mean in the future a position of greater power, as well as an enlargement of their trade and a very substantial source of wealth.

Last of all, let me say that if we forgive these debts the inevitable result will be an addition to the military equipment of Europe constituting a threat to the peace of the world, and if there is one thing in which we hope for leadership among the nations, it is for an abatement of military armament and the promise of cooperation and peace in the world. The efforts which have been made for a reduction or limitation of naval equipment and of armed forces have unfortunately disappointed expectations. Really the only practical success in diminishing armament was at the Washington conference of 1921-22. At this writing in August, 1927, it seems almost certain that the Conference for Limitation of Naval Armament now pending between the United States, Great Britain, and Japan will result in failure. Is it not worthy of our consideration that the countries which are indebted to us are spending sums far greater for military purposes than they must devote to payments on their war debts? Of this, however, I will speak later.

THE HISTORY OF THE DEBTS

The facts relating to the settlements with Europe should by this time be familiar to all, though it is surprising to note how widespread is the ignorance upon this subject. It will be profitable to survey the history of these debts. They were authorized by legislation in April, 1917, the month in which we entered the war, and by later statutes. The Secretary of the Treasury, with the approval of the President, was authorized to make loans or advances to countries "at war with the enemies of the United States." There were later statutes increasing the amount authorized to be loaned; also for the sale of surplus supplies and for assistance in supplying food and other necessities. Approximately \$10,340,000,000 was loaned or advanced to our debtors—20 in number. Two of these—Armenia, to which \$12,000,000 was advanced, has no government with which we can deal; Russia, to which an advance of \$192,000,000 was made, repudiates the debt. In view of the poverty of Austria, payment of the \$24,000,000 which was advanced to her has been postponed until 1943. Liberia, to which a trivial sum was advanced, has paid, and so has Cuba.

DEBT COMMISSION APPOINTED TO STUDY FACTS

In February, 1922, a debt commission of five members was organized by act of Congress, to which three members were added in the following year, with a view to making it nonpartisan. I do not desire to enter into any elaborate defense of the Debt Commission, officially designated as the World War Foreign Debt Commission, which originally included the Secretary of the Treasury, Mr. Mellon, chairman; Mr. Hughes, then Secretary of State; afterwards his successor, Mr. Kellogg; Mr. Hoover, Secretary of Commerce; Senator Smoot; and the writer of this article, to which were later added another Member of the House, Mr. Crisp, of Georgia; former Representative Olney, of Massachusetts; and Mr. Edward N. Hurley, of Chicago. It must be said, however, that the commission gave the most careful study to this subject for four years. They held long consultations with leading experts of Europe, including the present Prime Minister of England and the governor of the Bank of England, financial ministers, and prominent representatives of other foreign countries, and our own diplomatic officials and the representatives of the Treasury and Commerce Departments. The financial status of each country with which we dealt was considered. It would be quite impossible for another commission or for any private organization, however competent the members might be, to give the careful consideration to the capacity for payment of foreign countries that was given by the commission during the more than four years in which it functioned.

FUNDAMENTAL PRINCIPLES OF COMMISSION

That commission at a very early date laid down three fundamental principles: First, that the principal sum of the debts should be paid; second, that the greatest possible leniency should be shown in rates of interest and time for payment (62 years was the period fixed); third, that in determining terms as to time for payment of the principal and rates of interest "capacity to pay" should be taken into account. The legislation at first provided that the interest on all loans should be not less than 4½ per cent and that payment should be made in 25 years. The commission very substantially departed from this first mandate of Congress by more lenient treatment to all the debtors. It was made necessary that the settlements made by the commission should be first approved by the President and next by both Houses of

Congress. Settlements have been negotiated by the commission with all countries, excepting with Greece and with Armenia and Russia mentioned above, and all these settlements have been ratified except that the Senate has not approved the agreement with Yugoslavia, though it is evident approval will be given at an early date, and neither the Senate nor France has approved the settlement with that country negotiated by her ambassador and approved by the French cabinet.

The criterion of "capacity to pay" adopted by the commission has been criticized. Can anyone suggest a more just or better standard? What other rule is adopted in transactions between private creditors and debtors? Would it be reasonable to seek to enforce a uniform rule under which, for example, Austria, one of the poorest countries in Europe, should be subject to the same terms as Great Britain, with an income of a billion dollars a year or more from foreign investments?

COMMISSION WAS LENIENT IN SETTLEMENTS

The commission was most lenient in its settlement with foreign countries, and taking as a basis the rate of interest which we have been paying upon our own obligations, $4\frac{1}{4}$ per cent, we canceled or abated 75 per cent of the debt of Italy, 53 per cent of the debt of France, an average of 58 per cent of the debts of all the countries on the Continent of Europe, and 20 per cent of the debt of Great Britain. Among those who favor revision there has been an almost universal note. They have said, "We do not favor the entire cancellation of the debts, but we do favor a reconsideration and a revision." What proportion would they cancel, and would they make the percentage of cancellation equal for all countries? A very singular feature of the situation is that payments approaching a billion of dollars have been made by our foreign debtors in accordance with settlements made by the Debt Commission; that no demand has been made by any prime minister, finance minister, or responsible official for a revision of the settlements made; payments have been made as they have fallen due and there is every indication that those who owe us regard these settlements as final. But in our own country there is an agitation, not so much for cancellation but, it is alleged, for revision. The exact terms of the revision are not specified, but like many movements which have as their basis mere generalities, this demand has gained considerable following. If it were not for the agitation in the United States there is every probability that France would have agreed upon the settlement proposed long before this.

BURDEN CAN HARDLY BE CALLED CRUSHING

It is said that the burden is a crushing one for the countries involved. If we consider this question from the standpoint of the share of the revenues which must be applied in payment of these debts, several countries show startling results. For the first five years six-tenths of 1 per cent, or about one one-hundred sixtieth part of the total revenue of Italy is applied in payments to us; in Czechoslovakia, for a long period it is almost exactly 1 per cent, or one one-hundredth part of their total revenue. It is true that France, if the settlement with that country is ratified, and Great Britain pay a substantially larger proportion of their revenues. The greatest credit is due to Great Britain, for with a desire to maintain their credit unimpaired the British have sought to pay their obligations to us and have taken advantage of none of the options they have for making the burden lighter.

The payments of most countries under the settlements made increase in the passing years, and this is based upon confidence that conditions in Europe will improve. Nearly three-fourths of the earlier payments are made by Great Britain. The aggregate amount of principal and interest to be paid by all countries is \$210,000,000 in 1927, increasing to \$217,000,000 in 1930, and to \$300,000,000 in 1935.

COMPARISON OF INDEBTEDNESS AND FOREIGN MILITARY EXPENSES

Let us make another comparison—the amount of indebtedness to us as compared with the military expenses of the various countries of Europe. In France in the last year for which figures are available, appropriations for military purposes (and there are no doubt extras) were 5,169,000,000 francs; according to the present rates of exchange, say about \$200,000,000. As against this amount it is proposed that France pay \$30,000,000 to us in the first year, increasing to \$35,000,000 in the fifth year, these amounts to apply on principal and no interest to be charged until the beginning of the sixth year. Great Britain has military expenses aggregating \$582,000,000 per year, or about three and one-half times what they are paying to us, although her payments are by far the largest. Her increase in military expenses over pre-war

times in 1914 is about \$200,000,000 annually, or \$40,000,000 more than they are paying to us. Czechoslovakia, a country of about 12,000,000 people, maintains a standing army of 150,000 men. The appropriation for national defense for 1926 was approximately \$50,000,000. All that country is paying to us for 18 years is \$3,000,000 per annum; that is, in 18 years she will be paying to us on debts but \$4,000,000 more than her military expenses for one year. The annual military expense of Rumania is \$27,000,000. Their total debt to us is about \$44,590,000, so that in less than two years their military expenses would enable them to have a "clean slate" as to their indebtedness to the United States.

INVISIBLE BALANCES BETWEEN COUNTRIES

It has been said that the only manner in which the debts can be paid is by an excess of merchandise exports to this country. This statement, which is less than a half truth, overlooks the so-called invisible balances between countries. In the year 1925 American tourists spent in Europe at least \$370,000,000, of which \$225,000,000 was spent in France alone. This amount expended in France is seven and one-half times as much as the first payment that she must make to us according to the proposed settlement. The estimated expenses of tourists in 1926 were even larger than in 1925. A very considerable amount is being sent abroad also by immigrants each year; the estimate is about \$200,000,000. The amount received in England from gold mines of South Africa is another illustration of the ability of countries to pay otherwise than by excess of exports of goods. The total of bullion and coin received in England from South Africa in 1926 was \$153,240,012, and in 1927, \$124,347,597.

TARIFF BARRIERS NO ARGUMENT

It is said that tariff barriers against Europe increase the difficulty of their payment. Have we failed to increase our purchases from foreign countries since the commission commenced its work? If you compare the year 1926 with the year 1922, the date of the passage of the present tariff law, we imported in the later year (1926) from European countries and their dependencies \$1,308,000,000 more than in the earlier year (1922), an increase of 92 per cent. On the other hand, our exports in the same period to those countries only increased by 22 per cent.

GOOD SHARE OF DEBTS INCURRED AFTER THE ARMISTICE

One very important fact is overlooked, and that is that a good share of these debts, three-tenths at least, was incurred after the armistice, and thus after the threat of war was removed. Indeed, out of the 13 nations with which the Debt Commission has made settlements only 5—Great Britain, France, Italy, Belgium, and Yugoslavia—borrowed from us before the armistice. The amounts advanced after the armistice were largely for rehabilitation and for improvement. Certainly no one can fairly claim that this postarmistice debt should be placed on the same footing with the rest or that it should be repudiated. Let us cite an illustration of the condition created by this fact: France, which is hesitating to ratify the agreement made by her ambassador and approved by her cabinet, received \$1,970,000,000 before the armistice of November 11, 1918, a good share of which was not for munitions or for the prosecution of the war. She received \$1,370,000,000 after the armistice. The proportion between the two is about that of 3:2. If interest were to be computed on the postarmistice advances of \$1,370,000,000 at 5 per cent, which is a low rate in Europe at this time, the present worth would almost exactly equal the amount that it is proposed France shall pay. In addition, it must be stated that part of this postarmistice amount was for supplies sold to France, and, presumably, part of these supplies at least were resold at a profit. The amount to be paid for such supplies was \$407,000,000, on which they are now paying 5 per cent interest, with a promise to pay the principal in 1929. The amount that they must pay in 1929 is greater than their total payments for nine years under the debt settlement.

REPUDIATION WILL NOT BRING RESTORATION

I have thus given many facts and figures, because they are necessary for an adequate understanding of the situation. The road to rejuvenation of Europe is not by the releasing of these debts. It depends upon the burying of their hatreds, removing asperities, the creation of a spirit of peace and good will, more favorable trade arrangements. Such is the path to prosperity and a better Europe. The future is within their own control; restoration will not result from the repudiation of their obligations.

SUPPLEMENT NO.

Statement showing principal amount of prearmistice and postarmistice indebtedness of foreign governments to the United States

Country	Prearmistice cash loans	Postarmistice			Total indebtedness
		Cash loans	War supplies and relief supplies	Total	
Armenia.....			\$11,959,917.49	\$11,959,917.49	\$11,959,917.49
Austria.....			24,055,708.92	24,055,708.92	24,055,708.92
Belgium.....	\$171,780,000.00	\$177,434,467.89	29,872,732.54	207,307,200.43	379,087,200.43
Cuba.....	10,000,000.00				10,000,000.00
Czechoslovakia.....		61,974,041.10	29,905,629.93	91,879,671.03	91,879,671.03
Estonia.....			13,999,145.60	13,999,145.60	13,999,145.60

Statement showing principal amount of prearmistice and postarmistice indebtedness of foreign governments to the United States—Continued

Country	Prearmistice cash loans	Postarmistice			Total indebtedness
		Cash loans	War supplies and relief supplies	Total	
Finland.....			\$8,281,926.17	\$8,281,926.17	\$8,281,926.17
France.....	\$1,970,000,000.00	\$1,027,477,800.00	407,341,145.01	1,434,818,945.01	3,404,818,945.01
Great Britain.....	3,696,000,000.00	581,000,000.00		581,000,000.00	4,277,000,000.00
Greece.....		15,000,000.00		15,000,000.00	15,000,000.00
Hungary.....			1,685,835.61	1,685,835.61	1,685,835.61
Italy.....	1,031,000,000.00	617,034,050.90		617,034,050.90	1,648,034,050.90
Latvia.....			5,132,287.14	5,132,287.14	5,132,287.14
Liberia.....		26,000.00		26,000.00	26,000.00
Lithuania.....			4,981,628.03	4,981,628.03	4,981,628.03
Nicaragua.....			431,849.14	431,849.14	431,849.14
Poland.....			159,666,972.39	159,666,972.39	159,666,972.39
Rumania.....		25,000,000.00	12,922,675.42	37,922,675.42	37,922,675.42
Russia.....	187,729,750.00		4,871,547.37	4,871,547.37	192,601,297.37
Yugoslavia.....	10,605,000.00	16,175,465.56	24,978,020.99	41,153,486.55	51,758,486.55
Total.....	7,077,114,750.00	2,521,121,825.45	740,087,021.75	3,261,208,847.20	10,338,323,597.20

SUPPLEMENT No. 2

Statement showing principal amount of indebtedness of foreign governments to the United States, interest accrued and unpaid thereon up to and including the last interest period prior to February 1, 1928, and payments received to date on account of principal and interest

The first division shows total payments made, including those under settlements made by the World War Foreign Debt Commission; the second division shows only payments under settlements made by the World War Foreign Debt Commission]

Country	Principal (net)	Accrued interest	Total indebtedness	Principal payments	Interest payments
Armenia.....	\$11,959,917.49	\$4,760,523.86	\$16,720,441.35		
Austria.....	24,055,708.92	10,163,397.78	34,219,106.70		
Belgium.....	413,580,000.00		413,580,000.00	\$6,257,630.37	\$23,408,642.87
Cuba.....				10,000,000.00	2,286,751.68
Czechoslovakia.....	177,571,023.07		177,571,023.07	7,500,000.00	304,178.09
Estonia.....	13,830,000.00	\$1,805,822.13	15,635,822.13		251,441.88
Finland.....	8,764,000.00		8,764,000.00	236,000.00	1,645,575.27
France.....	4,025,000,000.00		4,025,000,000.00	\$74,333,209.02	\$272,303,945.94
Great Britain.....	4,480,000,000.00		4,480,000,000.00	322,181,641.56	1,040,876,657.11
Greece.....	15,000,000.00	4,500,000.00	19,500,000.00		1,159,153.34
Hungary.....	1,942,200.00		1,942,200.00	40,355.50	192,020.14
Italy.....	2,032,000,000.00		2,032,000,000.00	10,364,319.28	57,598,852.62
Latvia.....	5,775,000.00	\$729,103.10	6,504,103.10		260,828.95
Liberia.....				26,000.00	10,471.56
Lithuania.....	6,207,132.50		6,207,132.50	92,185.00	371,421.71
Nicaragua.....	290,627.99	8,500.00	299,127.99	141,221.15	27,561.98
Poland.....	178,560,000.00	\$22,014,461.25	200,574,461.25		6,548,224.28
Rumania.....	66,060,560.43		66,060,560.43	2,298,632.02	263,313.74
Russia.....	192,601,297.37	87,596,004.57	280,197,301.94		\$8,734,323.98
Yugoslavia.....	62,450,000.00		62,450,000.00	1,120,600.16	636,059.14
Total.....	11,715,647,467.77	131,517,812.69	11,847,165,280.46	434,591,794.06	1,416,879,424.18

FUNDED INDEBTEDNESS INCLUDED IN ABOVE

Belgium.....	\$413,580,000.00		\$413,580,000.00	\$4,200,000.00	\$4,865,000.00
Czechoslovakia.....	177,571,023.07		177,571,023.07	7,500,000.00	
Estonia.....	13,830,000.00	\$1,805,822.13	15,635,822.13		250,000.00
Finland.....	8,764,000.00		8,764,000.00	236,000.00	1,336,290.00
France.....	4,025,000,000.00		4,025,000,000.00		
Great Britain.....	4,480,000,000.00		4,480,000,000.00	120,000,000.00	682,980,000.00
Hungary.....	1,942,200.00		1,942,200.00	40,355.50	191,267.10
Italy.....	2,032,000,000.00		2,032,000,000.00	10,000,000.00	
Latvia.....	5,775,000.00	\$729,103.10	6,504,103.10		130,000.00
Lithuania.....	6,207,132.50		6,207,132.50	92,185.00	369,874.74
Poland.....	178,560,000.00	\$22,014,461.25	200,574,461.25		4,500,000.00
Rumania.....	66,060,560.43		66,060,560.43	500,000.00	
Russia.....	192,601,297.37		192,601,297.37	400,000.00	
Yugoslavia.....	62,450,000.00		62,450,000.00		
Total.....	11,471,739,916.00	24,549,386.48	11,496,289,302.48	142,968,540.50	694,622,401.84

1 Time of payment of principal and interest extended to June 1, 1943, by authority of joint resolution of Congress approved Apr. 6, 1922.

2 Difference between principal of funded debt and amount here stated represents deferred payments provided for in the funding agreements, for which old bonds of the respective debtor governments have been or will be delivered to the Treasury.

3 Accrued and unpaid interest on funded debts due to exercise of options to pay specified amounts over first 5 years in lieu of total amounts due for which bonds similar to those originally issued under funding agreement will be given upon expiration of the option for the full amount then due.

4 Funding agreement not yet ratified by either France or the United States.

5 Upon ratification of the funding agreement, \$10,030,307.73 of this sum will be applied toward payment of the first annuities due thereunder.

6 Upon ratification of the debt agreement \$60,772,533.63 of this sum will be applied toward payment of the first annuities due thereunder.

7 Increase over amount funded due to exercise of options to pay one-half of interest due on original issue of bonds in bonds of debtor government.

8 Represents proceeds of liquidation of financial affairs of Russian Government in this country (copies of letter dated May 23, 1922, from the Secretary of State and of reply of the Secretary of the Treasury dated June 2, 1922, in regard to loans to Russian Government and liquidation of affairs of the latter in this country appear in the annual report of the Secretary of the Treasury for the fiscal year ended June 30, 1922, as Exhibit 79, p. 283, and in the Combined Annual Reports of the World War Foreign Debt Commission as Exhibit 2, p. 84).

Mr. SABATH. Mr. Speaker and gentlemen, as I have previously stated, this settlement with Yugoslavia has been recommended by the World War Foreign Debt Commission and favorably acted upon in the House, in the last session. But in view of the filibuster in the last session it failed of action in the Senate.

I wish the House to understand that it is not the most unfavorable settlement that we have made. In fact, this settlement is 6 per cent higher than the settlement with Italy.

And this, notwithstanding that Yugoslavia is one of the poorest nations in Europe.

The gentleman from New York in a measure explained how Yugoslavia was created. Yugoslavia has been created to bring

about tranquillity and peace in the Balkans. It is composed of the Provinces of North and South Serbia, Montenegro, Bosnia, Herzegovina, Dalmatia, Croatia, Slavonia, Medjemura, Slovenia, Vojvodina, and the islands of Krk (Veglia) and Kostave. Its area is equal to the States of Pennsylvania and New York combined. Most of these little States or countries were part and parcel of Austria-Hungary.

It is a purely agricultural country, and although rich in mineral resources, due to the unfortunate conditions under which these people lived for centuries past, they have been deprived of developing them.

Yugoslavia has been many times invaded and subjected to attacks from each and every side as no other nation and peoples

have been, and during the World War had suffered more than even poor Belgium.

These unfortunate people have striven hard to rehabilitate themselves and their lands, their little homes. I am obliged to concede that the living conditions of the people, as has been stated, are very low, but not through any fault of theirs, but due to the oppressive conditions under which they have lived. These people are all of the Slavic race, hard working, honest, and peaceful, and I am satisfied, notwithstanding what some gentleman has stated, that they will strive in every way possible to comply with the settlement.

These peoples, if left alone by the neighboring nations, within a few short years will greatly improve their condition, not only agriculturally but also industrially. It possesses tremendous deposits of valuable minerals, and as soon as they find a way for development they will become a prosperous nation.

It has been stated on the floor that a great deal of money has been actually advanced to these people, and some Members seem to believe that we actually advanced so much cash. I have been a member of the Foreign Affairs Committee during the World War, and I know they did not receive these sums in cash. Nearly the entire debt is for war supplies and food purchased in the United States, and most of it after the war when they purchased some of the surplus supplies and food that we could not sell to any one else for cash or to better advantage.

Mr. CRISP. Will the gentleman yield?

Mr. SABATH. I will.

Mr. CRISP. To keep the record straight, there was a credit of \$26,000,000 which they could draw as they saw fit. I think, as a matter of fact, it was spent in the United States, but the cash was available to them.

Mr. SABATH. I understand it was first credited to their account, but was used to pay for war supplies, shipped or purchased for them, by the then various purchasing divisions in the War Department. Personally, I regret that, due to conditions, we were obliged to accept the settlements that we have with our former allies. But I feel, after all, even a poor settlement is better than a rich suit; in these cases war.

It has always been my aim that we should retain the friendliest feeling with all the nations; therefore, I have advocated favorable settlements with our former allies, but, unfortunately, it seems that those who received the most advantageous and the greatest help appreciate it the least; but I repeat, such will not be the case with Yugoslavia.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. GREEN of Iowa, a motion to reconsider the vote whereby the bill was passed was laid on the table.

AUTHORIZING THE EXECUTION OF CERTAIN INDEMNITY AGREEMENTS TO ENABLE THE COLLECTION OF CERTAIN MONIES DUE THE TREASURY DEPARTMENT

Mr. GREEN of Iowa. Mr. Speaker, I call up the bill (H. R. 10954) to authorize the Secretary of the Treasury to execute agreements of indemnity to the Union Trust Co., Providence, R. I., and the National Bank of Commerce, Philadelphia, Pa., and I ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. The Clerk will read the title of the bill.

The Clerk read the title, as follows:

A bill (H. R. 10954) to authorize the Secretary of the Treasury to execute agreements of indemnity to the Union Trust Co., Providence, R. I., and the National Bank of Commerce, Philadelphia, Pa.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the bill be considered in the House as in Committee of the Whole. Is there objection?

There was no objection.

The SPEAKER. The Clerk will report the bill.

The Clerk read the bill, as follows:

Be it enacted, etc., That the Secretary of the Treasury is authorized to execute, in the name of the United States, and deliver to (1) the Union Trust Co., Providence, R. I., upon receipt from such trust company of \$1,806, and (2) the National Bank of Commerce, Philadelphia, Pa., upon receipt from such bank of \$16,676.71, an agreement of indemnity binding the United States to make reimbursement to such banking institutions upon condition that such banking institutions are required to make payment to bona fide holders upon presentation of check No. 358, in the amount of \$1,806, drawn by Evarista Larravee, 50 Seymour Street, Providence, R. I., on the Union Trust Co., Providence, R. I., certified by such trust company, payee believed to be Bureau of Supplies and Accounts, Navy Department, dated between June 1 and August 29, 1922; and check No. 1000 in the amount of \$16,676.71 drawn by Levin, Deluge & Kerschbaum, 35 South Third

Street, Philadelphia, Pa., on the National Bank of Commerce, Philadelphia, Pa., certified by such bank, name of payee not ascertainable, date believed to be in calendar year 1921 or 1922.

Mr. GREEN of Iowa. Mr. Speaker and gentlemen, this bill involves a very simple matter. In 1921 and 1922 the Government sold merchandise (surplus property) for \$18,000 to the parties named in the bill. They issued certified checks for the amount due the Government, and they were duly delivered to the proper official of the Government; but in some manner, through some one's fault—I do not know who—the checks were lost. Now the Government can not collect them, because the banks say that unless they are given an indemnifying contract against the checks falling into the hands of innocent parties they will not make payment. The legal advisers have advised the Treasurer that it is doubtful whether they can compel payment without the indemnifying bonds. The whole purpose of the bill is to enable the Government to collect the \$18,000.

Mr. GARNER of Texas. This is the same bill that passed at the last session of Congress, is it not?

Mr. GREEN of Iowa. The same bill that was passed without deviation at the last session.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

LEAVE TO ADDRESS THE HOUSE

Mr. COLLINS. Mr. Speaker, I ask unanimous consent that after the reading of the Journal on Monday, and the disposition of business on the Speaker's table, the gentleman from Virginia [Mr. MOORE] may be permitted to speak for 15 minutes.

The SPEAKER. The gentleman from Mississippi asks unanimous consent that after the reading of the Journal and the disposition of business on the Speaker's table on Monday next, the gentleman from Virginia [Mr. MOORE] be permitted to speak for 15 minutes. Is there objection?

There was no objection.

DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. SIMMONS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 11133) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1929, and for other purposes. Pending that I ask unanimous consent that the time for general debate be controlled equally by myself and the gentleman from New York [Mr. GRIFFIN].

The SPEAKER. The gentleman from Nebraska moves that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the District of Columbia appropriation bill, and pending that, asks unanimous consent that the time for general debate be controlled equally between himself and the gentleman from New York [Mr. GRIFFIN]. Is there objection?

There was no objection.

The SPEAKER. The question is on the motion of the gentleman from Nebraska that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the District of Columbia appropriation bill.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the District of Columbia appropriation bill, with Mr. HOOPER in the chair.

The Clerk read the title of the bill.

Mr. SIMMONS. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SIMMONS. Mr. Chairman, I yield 30 minutes to the gentleman from Illinois [Mr. HOLADAY].

Mr. HOLADAY. Mr. Chairman and gentlemen, it is not my purpose to discuss the items of this bill from the standpoint of dollars and cents, as the money is appropriated to the various departments, but rather to speak to you about the general conditions existing in the District of Columbia. Under the arrangement that now exists Congress is, in the final analysis, responsible for the functioning of the municipal government in the District of Columbia. The municipal affairs are administered by the commissioners and through the various heads of departments appointed by the commissioners, but as Congress passes final judgment upon the appropriations, we, therefore, in the final analysis, have the responsibility.

I am glad to be able to report to you that, in my opinion, as a member of the subcommittee, we are warranted in saying as a general proposition that the public affairs of the District of Columbia are being efficiently and economically administered. There are two or three exceptions to that report, which I purpose to call to your attention. In the remarks that I shall make criticizing some of the departments I do not want it understood that I am offering this criticism for any purpose save that some arrangement can be made and some steps may be taken to correct the evils or the mismanagement that may exist in certain departments. If we are responsible for those departments that are not functioning as they should, we are also entitled to credit for the departments that are satisfactorily functioning.

At the outset I call attention to a few of the departments where I believe the heads of those departments are entitled to public commendation for their good work. The fire department under Chief Watson is being efficiently and economically administered, so that the city of Washington is receiving adequate protection. The same may be said of the health department under Doctor Fowler, and I would especially call to your attention the position of District auditor. The present auditor, Mr. Donovan, appeals to me as an exceptionally faithful and competent public official. Recently there has been a change in the office of the corporation counsel. Some changes in the management and administration of that office have been made. While Mr. Bride, the present corporation counsel, has been in office only a short time, from the record that he has made during his term, I believe we are warranted in expecting better service from the office of corporation counsel than we have received in previous administrations. In the office of the assessor we have a man who is entitled to considerable credit, and a little further along in my remarks I shall call to your attention certain difficulties that the assessor of property in the District of Columbia encounters, certain influences that are brought to bear upon him, undertaken to cause him to deviate from the course of his duty. The various penal institutions under the direction of Doctor Barnard are operating in a capable manner. Captain Whitehurst, who is an aide to the engineer commission, in charge of highway improvement, has mapped out a plan that I believe is logical and feasible, and is pursuing the work in good faith. Major Atkins is also an assistant to the engineer commissioner, and he is in charge of the purchase of land. The same remarks that I make with reference to the assessor's office may be said with reference to Major Atkins and his office. Perhaps I might as well go into that now.

It appears to me that the great indoor sport in the city of Washington is selling property to the Government and to the District of Columbia at an exorbitant price. That system and policy has continued for a great many years, and it seems to be so well founded and has existed over such a great length of time that the public generally and the press of the city of Washington are never heard to object. At a previous session Congress placed a provision in the law that in the purchase of land for public use the purchase price could not exceed the assessed value by more than 25 per cent. The assessed value in the District of Columbia, according to the report of the board of trade and other agencies, is 100 cents on the dollar.

Major Atkins experiences great difficulty in purchasing land for public use, although he is succeeding and through his efforts and the provisions of the amendment thousands upon thousands of dollars have been saved to the District.

Now, what happens to the assessor? Here is a man or a company of men who, looking ahead and finding a location that may possibly be in demand by the Government, have secured options, or perhaps they have purchased it outright. They go to Mr. Richards, who is the assessor, and ask him to increase the assessment; and if you care to read the records you will find there the names of the men and the tracts of land involved where the owners have gone to the assessor's office and have asked to have their assessments increased; and one man went so far as to say to the assessor, "If you do not increase the assessment I will bring a Congressman down with me and we will see about it." Let it be said to the credit of the Congress that he never appeared with the Congressman. When Major Atkins goes out to buy land through some agent with whom he has agreed upon the price and the agent says to the owner, "I have a buyer; we are ready to close the deal; you can make the transfer to the Government or the District"—the owner says, "No; if you are selling to the Government, I am entitled to more money"; and the owner absolutely refuses to go through with his agreement, even though he may be liable for the commission to the real estate man.

These are the conditions that exist to-day and have existed for many years. But under the wise influence of the 25 per cent limitation the people are gradually being weaned away

from the idea that the Government and the District are legitimate public prey in the sale of land for public purposes.

The sewer division under Mr. Gordon is being well operated. I would not have you understand that in mentioning only a few of these public officials I am casting any reflections on those officials whom I have not mentioned. I believe, as I stated a moment ago, that with a very few exceptions the public officers and employees of the District government are faithfully discharging their duties. I am sorry to say that there are a few exceptions, and I want to call your attention to those exceptions.

The first department with which I have not been satisfied is the office of the municipal architect. It is not my purpose to go into details with reference to that office, as there is another committee of this House that is now investigating his office. I do not want to prejudice their work, and I presume that in due time they will report to this House, with recommendations as to what Congress should do, and as to what other agencies of the Government should do, should the facts warrant action by other agencies.

Let me call your attention to this specific instance: The District of Columbia is manufacturing brick at the Occoquan Workhouse. The evidence shows that brick can be delivered by the workhouse on the wharf at Washington for \$11 per thousand, or perhaps less. The evidence shows that with 2,000,000 brick on the yards at the workhouse the architect went to a private individual and purchased brick and paid \$18 per thousand; and when he was asked about that the only explanation he had was that he did not know those brick were there. But he is the municipal architect, responsible for this work, using from time to time brick from that yard. Even if he did not know that 2,000,000 brick were on the yard, it was possible for him to find out. That is his only excuse. Gentlemen, I am frank to say to you that I am not satisfied with that excuse.

Mr. EDWARDS. Mr. Chairman, will the gentleman yield there?

Mr. HOLADAY. Yes.

Mr. EDWARDS. Those brick the gentleman is referring to cost \$11 per thousand. Is that a prison-made brick?

Mr. HOLADAY. Yes; it is a prison-made brick. It is not sold on the public market, but it is used on the public buildings and for public use here in the District of Columbia, and they have been using it for some time.

Mr. RANKIN. Mr. Chairman, will the gentleman yield right there?

Mr. HOLADAY. Yes.

Mr. RANKIN. An article appeared in the Washington Star a few days ago which presented a situation which in my opinion ought to have the attention of Congress, and that is this: Right on the edge of the Capitol Grounds, where this new building has been erected, my information is that the District of Columbia has purchased that building for the purpose of making it a house of detention. Is the gentleman familiar with that situation?

Mr. HOLADAY. I am.

Mr. RANKIN. Please let us know what the District Committee has in mind to do with that?

Mr. HOLADAY. Leaving for a moment the discussion of the municipal architect, and answering the question of the gentleman from Mississippi, I will say that the present house of detention must be vacated by reason of the improvements to be made on the Mall. The commissioners are confronted with the proposition of securing a new location. They made some tentative arrangements with reference to the leasing for a year the new building that is about completed at the southwest corner of the Capitol Grounds. That lease has not been entirely consummated. The matter was presented to the committee after the bill was prepared by the subcommittee; and the chairman of the subcommittee, acting under the direction of the whole committee, was instructed to introduce from the floor an amendment expressly prohibiting the commissioners from leasing this building and using it for that purpose.

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. HOLADAY. Certainly.

Mr. SIMMONS. The bill as reported carries a proviso to the effect that the building shall not be used as a house of detention, or any building adjoining or close to the Capitol Grounds.

Mr. EDWARDS. That will not be located there?

Mr. HOLADAY. No; that will not be located there.

Now, gentlemen, coming back to the office of the municipal architect, if the only thing that was objectionable or that was suspicious about the conduct of that office was the mere fact of the purchase for \$18 per thousand of 2,000,000 brick, when \$11 brick were on the yard, we might accept his explanation

and say that it was an oversight or a matter of neglect. But, unfortunately, there are other charges that are being investigated by another committee which seem to indicate that in the buying of other brick the bid of the low bidder has not been accepted.

Mr. HOWARD of Oklahoma. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. HOWARD of Oklahoma. Were the brick to which the gentleman refers face brick or common building brick?

Mr. HOLADAY. I think the bricks to which I refer, the 2,000,000 bricks, are common building bricks used for backing-up purposes.

Mr. SIMMONS. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. SIMMONS. The bricks we are making at the jail are the bricks that are being used for school buildings. They are face brick.

Mr. HOLADAY. They are making both kinds down there and in these 2,000,000 bricks there are probably two kinds—face brick and common building brick. I am under the impression, although I do not have the exact figures, that a large part of the 2,000,000 in question were common bricks, but I do not have the exact figures.

Mr. HOWARD of Oklahoma. Does the gentleman know the mode of manufacture used in making the two different kinds of brick—that is, are they making dry pressed brick at Occoquan or are there two kinds of bricks being furnished, dry-pressed brick and what is known as stiff-mud brick, because there is a difference in price between stiff-mud brick and dry-pressed brick?

Mr. SIMMONS. Of course, I am not familiar with the technical terms, but these bricks, I should say, are dry-pressed bricks. These bricks are what are known as face bricks, but they are not glazed-face bricks or anything of that kind.

Mr. HOWARD of Oklahoma. Let me say to the gentleman that for about five or six years I was engaged in the manufacture of brick. As to common brick there should not be anything like the difference in price the gentleman has mentioned; but there is a material difference in the price of different kinds of face brick both in the mode of manufacture, colors, and so forth.

Mr. SIMMONS. The brick the District is making at Occoquan is brick you will find in practically all of the District's buildings that are being built with dark red brick, and this brick is used as face brick.

Mr. HOLADAY. Let me say to the gentleman, by way of explanation, that in the matter now being investigated with reference to the turning down of the low bidder the brick involved were not from the workhouse. The committee has made some changes in the office of the municipal architect which we think will better the service, and we are awaiting the report of this investigation, which goes into matters that are beyond the matters we were investigating.

There is another office in the District with which I am not satisfied, and I am not satisfied with the manner in which it is being operated. That is the office of the recorder of deeds. There the committee has made certain changes and we have had certain understandings with the present recorder which I hope will bring about more efficient and satisfactory service. If in another year it is found that conditions have not been changed or remedied, then it will be necessary to consider further steps with reference to the conduct of that office.

The third department to which I find objections is the public-school system of this District. We are spending annually for the public-school system in the District some \$12,500,000. I believe that on the whole we have a fairly efficient school system in the District. It, perhaps, will compare fairly favorably with the schools of other cities, but we are paying more in the District for our schools than other cities are paying. The statement is frequently made that we have the most expensive school system in the United States. As to whether that statement is warranted or not I am not in a position to say because no careful study has been made, but I am in a position to say that we are expending more for schools in the District of Columbia than is being spent in the average city.

Mr. MERRITT. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. MERRITT. Are your figures based on the per capita cost?

Mr. HOLADAY. Yes; I refer to the per capita cost. Of course, the sum total would depend on the population of the various cities, but I am speaking of the per capita cost.

Mr. WHITEHEAD. Is the gentleman referring to the per capita cost of the school children, or what?

Mr. HOLADAY. Of the population or of the school population.

Mr. WHITEHEAD. The school population?

Mr. HOLADAY. Yes. In the long run it would be about the same thing. The only reason there can be for the condition that exists is inefficient management in our public schools. Let it be understood at the outset that what I may say with reference to the officials responsible for the administration of our school affairs that I except from that criticism Mr. Wilkinson, who is the head of the colored schools of this District. Mr. Wilkinson impressed me as a man who was absolutely fair and open with the committees; that he did not have anything to conceal; that he was making his recommendations fairly and openly and willing to stand by his judgment, but willing, if overruled, to adapt himself to the circumstances. Let me remark here that the District Commissioners are not responsible for the schools or for the recorder of deeds.

They are responsible for the conduct of the municipal architect's office, but they are not responsible for the other two departments about which objections are offered.

The schools are operated by a board of education appointed by the judges of the Supreme Court of the District. The members of this board, I believe, without exception, are high-class and responsible citizens. It is an honorary position without compensation, and I fear the condition exists here that frequently exists under an arrangement of this kind. The individual members of the board have not devoted as much time to the proposition as they should, and I do not say this by way of criticism, because they are devoting their time free of charge. And I also wonder if the board of education knows all of the details of the operation of the schools. I experienced great difficulty in securing accurate and complete information from Doctor Ballou, the superintendent of the schools.

Mr. CASEY. Will the gentleman yield?

Mr. HOLADAY. I yield to the gentleman.

Mr. CASEY. My colleague on the subcommittee has referred to the committee in these matters, and I would like to keep the record straight so that the Members of the House may understand that any expression he may make on these matters this afternoon is purely his own expression of opinion and that the gentleman does not speak for the committee.

Mr. HOLADAY. Yes. I want that understood. I want it understood that what I may say here with reference to these various departments is my individual opinion as a member of the committee. I believe it is my duty as a Representative of this House on the committee to report back to the House what I believe to be the conditions, and that is what I propose to do.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. SIMMONS. Mr. Chairman, I yield 10 additional minutes to the gentleman from Illinois.

Mr. HOLADAY. I am not going into the details of the objectionable points in the administration of our schools, except to say that the Bureau of Efficiency has made an exhaustive study of the school system. They have reported the facts and they have reported their conclusions and recommendations. Doctor Ballou, the superintendent of schools, did not, as I understand the situation, seriously object to their finding of facts. He did object to some of their conclusions and to some of their recommendations, although his objections to their recommendations were more largely concerned with the period within which their recommendations could be put into operation rather than to the objections themselves. This report is now in the hands of the board of education.

Let it be understood that in the report of the Bureau of Efficiency and in our investigation, and in my opinion, no evidence has been found of any dishonesty or any misuse of public funds except inefficient management, and the inefficient management goes largely to the business end of the administration.

They do not have a competent and a satisfactory business organization or business director, and as a result of this, public money has been wasted and we have not received as nearly 100 cents on the dollar for every dollar of public money expended as we should have received or as we will receive if there is a competent business organization of school affairs. This is being gone into by the board of education, and it is hoped that a competent business management, receiving a proper salary with a proper organization, may be effected at some date in the not far-distant future, and a considerable improvement made.

I have not been satisfied with the administration of school affairs from an educational standpoint, and yet I realize that it is a difficult matter for one who is not an educator to undertake to criticize the methods of the teaching administration. I can only do this from the standpoint of comparing the results here with the results in other cities.

The Bureau of Efficiency points out certain criticisms along this line. Doctor Ballou admits there is some merit in these

criticisms and that he is making efforts to remedy such conditions. Some changes will be made in the coming year, and he expects to make further changes in the years to come.

Gentlemen, on the whole I am happy to be able to say to you that I believe the affairs of the District of Columbia are being as efficiently and as economically administered as are the public affairs in other American cities. In making this statement I take considerable pride in the belief that Congress is entitled to view this record with some degree of satisfaction.

I am glad to have had this opportunity to utter a word of public praise for the officials who are so well doing their duty, and I hope that my words of criticism have been of a constructive nature and will lead to an improvement of service in all of the departments and branches to which I may have offered objections. [Applause.]

Mr. GRIFFIN. Mr. Chairman, I yield myself one minute in order to say on behalf of my colleague [Mr. CASEY] and myself that the gentleman who has just spoken merely expresses his own views. I want to say that in my opinion the school system of the city of Washington is one of the best in the country—economically and capably managed.

Mr. GRIFFIN. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. LINDSAY].

Mr. LINDSAY. Mr. Chairman, it is a heroic fate to die that others may live, and the noblest epitaph is that which says, "These honored dead shall not have died in vain." The sons of America have never hesitated to lay down their lives in the service of their country, and peace has its heroes as well as war.

A few weeks ago the Nation mourned the loss of the entire crew of the submarine S-4. Other submarines have been lost heretofore, but the circumstances of these men, entombed a scant 100 feet below the surface, hoping against their own knowledge of hopelessness, and perishing while speaking from their tomb, somehow made a strong impression on the mind of the Nation. The demand to know where the blame lay could not be ignored. Was there negligence? Are there any safety devices which should be utilized? These questions will be considered by a board to be convened soon. Their findings will have no effect on the crew of the S-4, and their contribution toward the prevention of future catastrophes remains to be demonstrated.

Last week my colleague Mr. FROTHINGHAM spoke in behalf of a resolution he has introduced and which he hopes to have approved, providing for the elimination of submarines by agreement among the nations. He cited the record of submarine disasters with which we are familiar and which therefore need no repetition by me. I think it can be conceded that no rescue apparatus can save a submarine if it lies submerged beyond the limit of depth to which divers may descend. Let us assume that this is even 150 feet, and considering the great depth of the sea, we can readily understand the hazard of submerging in any but shallow waters. Our naval officers concede the discomfort and danger of service aboard submarines in the request for increase in monthly bonus to men serving on such vessels, which is soon to come up for approval by Congress. I think we will all admit the increased risk of such service. But what then? Risk and danger have never daunted our men; indeed, many are attracted by these very hazards.

But Congress is responsible for the appropriations for the Navy, and therefore if we permit men to assume special risk we should be sure it is justified. If a submarine is a necessary part of a well-balanced navy, if these craft are indispensable, then these risks must be taken, for war is cruel, and until men outlaw war everywhere the price of preparation and security must be paid.

I am wholly in sympathy with the purpose of my colleague's resolution, and I concur in all that he has said regarding the ill repute which attached to the use of the submarine in attacks on noncombatants during the World War. If chivalry and humanity were the test of weapons, the use of gas and liquid fire, submarines and floating mines would be no more countenanced by civilized nations than sabotage or the holding of noncombatants as hostages. I am sorry to say it does not appear that the international agreement hoped for by my colleague will be brought about simply because the submarine is an unsafe, cruel weapon.

Let me make it clear again that I am in sympathy with the purpose of the resolution, but I want to submit my conclusion as to the only way by which such purpose may be achieved. Mr. Arthur Brisbane says that one submarine in war is more useful than a hundred battleships. If that is so, he is correct in saying that abolition of the submarine awaits the millennium. Usefulness in war is the test. If the submarine is useless, and such uselessness can be realized, the great powers will

discard submarines to-morrow. Sir Guy Standing says the sea battles of the future will be fought with motor boats and high explosives, due to the use of airplanes, which can destroy larger vessels and submarines by bombing. Rear Admiral Moffett, of the United States Navy, says that the airplane in naval operations is at once a vehicle, a high observation post, a torpedo tube, a depth-charge projector, a mine layer, and a smoke-screen layer. Then it has been said the submarine is the arm of weak nations which can not afford a real fleet because of the greater cost of capital ships. I should like to have light on the question of the effectiveness of submarines in combat, either offensive or defensive. Between the assertion that it is indispensable and the charge that it is worthless in real combat, where does the true value lie?

Of course, we remember how the *Lusitania* was sunk by a submarine, but after that we ran a regular ferry of transports across the Atlantic and not one convoy-protected ship went down. Are submarines the bullies of the sea, effective only against defenseless merchant vessels? May we not determine these questions now?

We all do know the position Germany had attained in submarine design before the war. The great claims of Von Tirpitz for his undersea boats is still a matter of recollection. One great German submarine crossed the Atlantic and docked at Hoboken in the early days of the World War and long before our entry. We recall the trip of the *Deutschland* and how it brought to America many millions of dollars of valuable chemicals and dyestuffs. This was a widely heralded achievement, and much was prophesied of their future commercial value. All such claims have been disproven and oversize submarines are now not desired in the Navy. Might it be that submarines are also of little consequence in naval operations in war time—or are they extremely important?

During the war we heard daily reports of German submarines here, there, and everywhere. Thousands of tons of defenseless merchant ships were sunk by these craft.

Then later came the Battle of Jutland, and I am not aware of any great havoc being wrought by the submarines of either side against the great fleets of capital ships there engaged. Just think! With the fleets of the world to choose from—United States, England, France, Italy, Japan, the greatest battle armada in history—and Germany armed with so many submarines of long-cruising radius. Picture that situation and try to recall any regular naval vessels being sunk by submarines.

I am convinced that we should determine if submarines are useful as ships of war in any sense or merely piratical craft, to be used against noncombatants. If this latter case be true, they must be outlawed, and Congress must proceed to determine if it be true. I do not pose as an authority on the subject. I merely seek information.

On the 13th of January I addressed 12 questions to the Secretary of the Navy, and I am pleased to say that on the 26th of January I received a carefully prepared reply from Secretary Wilbur. These questions and the Navy's replies will be of interest to my colleagues, I am sure.

It appears that we lead the world in submarines to-day. However, as the useful life of a submarine is only 13 years, 10 of our vessels are now rated as obsolete, and every year more will become so; 4 in 1929, 3 in 1930, 28 in 1931, and so on through the years. We are asked to provide 32 submarines in the naval bill now being considered in committee, but each year we must replace those which become obsolete.

The annual expenditure for maintenance and repair of submarines alone was almost ten and one-half million dollars last year. Every dollar so spent is justified if submarines are necessary, but if they are foolish toys, then it is a terrible waste of money.

The Navy Department informs me that during the World War five battleships were sunk by submarines. In every case, however, these were old types, presumably lacking the modern ship's protective features. A complete list of vessels sunk is given, but these comprised monitors, sloops, mine layers, torpedo boats, and other lesser vessels—38 semicombat ships all told—as compared to thousands of noncombatant merchant ships, and not one single first-class man-of-war!

For the sake of conciseness I ask permission at this time to insert a letter from the Secretary of the Navy containing my 12 questions and the answers thereto.

The CHAIRMAN. Without objection, it is so ordered. The letter is as follows:

NAVY DEPARTMENT,

Washington, January 26, 1928.

MY DEAR CONGRESSMAN LINDSAY: I have received your letter of January 13, and take pleasure in forwarding the answers to the questions you have asked me regarding submarines.

(1) What is the comparative tonnage or number of vessels of the various nations with respect to submarines only?

The table shown below gives the submarine tonnage of various powers as of October 1, 1927:

Submarine tonnage as of October 1, 1927

	Built	Building	Appropriated for	Total
United States.....	84,722	9,000	0	93,722
British Empire.....	46,888	11,800	9,000	67,688
Japan.....	52,266	16,170	9,720	78,156
France.....	45,069	15,319	16,421	76,809
Italy.....	17,252	13,528	4,752	35,532

It should be noted that existing tonnages of United States submarines will become obsolete at a rapid rate in the near future. Thirteen years is the estimated useful life of a submarine. United States submarines at present carried on the Navy list will become 13 years of age as follows:

Date	Number	Tonnage
Now.....	10	3,852
1929.....	4	1,800
1930.....	3	1,044
1931.....	28	13,730
1932.....	22	12,614
1933.....	9	8,224
1934.....	4	3,504
1935.....	8	7,662
1936.....	19	16,292
1937.....	8	8,278
1938.....	5	5,820
1939.....	1	2,196

(2) What is the annual expenditure for maintenance and repair, etc., of the submarine class of United States Navy?

During the fiscal year ending June 30, 1927, \$10,272,469 was spent in the maintenance, repair, alteration, and operation of submarines.

(3) Are submarines effective against warships and cruisers, or are these vessels protected by armor plate which is not penetrated by the torpedoes of submarines?

The torpedo from a submarine is effective against all types of men-of-war. The armor belt in the case of battleships does not extend much below the water line. For protection against torpedoes dependence is placed on two methods:

(a) Compartmentation in all vessels.

(b) Blisters in addition in the case of battleships.

Compartmentation consists, in brief, of dividing the hull into as small as practicable water-tight subdivisions in order to localize the effect of underwater damage. Blisters consist in a series of compartments placed exterior to the hull proper to limit the damage of an exploding torpedo. Battleships with the foregoing elements of design can probably withstand as high as four torpedo hits without sinking, whereas formerly, without this protection, two hits might cause sinking.

(4) Are there any instances available of fighting ships of any Navy having been sunk by submarines? Or any tests made on condemned hulls?

In the late war Great Britain suffered the following combatant-ship losses from submarines: 5 battleships, 5 cruisers, 3 light cruisers, 1 monitor, 13 sloops, 1 flotilla leader, 6 destroyers, 2 torpedo boats, 1 aircraft carrier, and 1 mine layer. In every case the battleship was of an obsolete type.

Tests have been made against condemned hulls, notably the *Washington* prior to her being sunk in accordance with the limitation of armaments treaty. Special tests were also conducted on the *South Carolina*.

(5) How many torpedoes are carried by a submarine, and may these be fired while submerged with any effectiveness?

Submarines are built with from four to six tubes from which torpedoes can be fired. The number of torpedoes carried varies from two to three times the number of tubes.

The most effective method of fire is with the hull of the submarine submerged but with the top of the periscope showing. This reduces the visibility of the submarine to a minimum while allowing the directing officer to see his target. A submarine in this position is said to be at periscope depth. A submarine may also fire its torpedoes when completely submerged by using special methods of firing.

(6) What is average cost of discharge of a torpedo in actual combat with the enemy?

The average cost at present of a torpedo with its war head is \$14,000.

(7) What is effective range of torpedo discharge?

A torpedo is effective almost immediately after leaving the point of discharge up to the extreme limit of run, which limit varies with different types of torpedoes.

(8) Has the submarine any offensive status, or is it a weapon primarily of defense, considering the reduction in submarine attacks following the use of convoys of destroyers, submarine torpedo nets, etc.?

The submarine has an offensive as well as a defensive status, but no matter whether it be operating offensively or defensively it derives its importance from its ability to take offensive action against enemy ships. Submarines that operate locally—for instance, in the vicinity of the Canal Zone, the Hawaiian Islands, the ports of our Atlantic and Pacific coasts—would in general be said to be operating defensively, but the efficiency of their operation in these areas would depend upon their ability to attack vessels or fleets that were attempting to interfere with commerce or to bombard our shore positions. This kind of operation constitutes the defensive operations of submarines. Offensive operations are those that pertain to operations on the high seas or in enemy waters, where the submarine seeks to place itself in a position for attacking enemy combatant vessels. It is not possible to lay down any general rule as to which is the more important employment of submarines. Importance of the employment will depend upon the circumstances of the war at the time. Submarines of all classes can be employed in the purely defensive operations above indicated, but only the larger submarines have sufficient seagoing qualities to enable them to operate offensively in distant enemy waters.

(9) What is the average rating of effective fire or "marksmanship" for submarines of the United States Navy?

Submarines are not generally very efficient in their gunfire unless the sea is smooth. They can not fire their guns as effectively as surface vessels, except at very short range. Their marksmanship, so far as torpedoes are concerned, compares very favorably with torpedo marksmanship from surface vessels.

(10) Briefly, what is the value of a submarine as an integral part of a well-balanced navy?

The submarine is a very valuable element of naval strength, particularly valuable for operation in enemy waters since it can go to those waters and remain for considerable periods of time awaiting its opportunity for its successful attack of enemy combatant ships and to observe and report their movements. No other type of naval vessel can maintain itself in enemy waters unsupported for any considerable period of time, because it would be discovered and driven off by superior naval strength of the enemy. The submarine, instead of being driven off, can submerge at appropriate times and thus escape observation. There is no way for a surface vessel similarly to escape observation. You can very well see how disturbing it would be to the naval operations of the enemy if submarines were known to be operating in the vicinity of its naval bases threatening every ship that issued from or returned to such bases.

The submarine has a special value to a fleet in its ability to scout long distances ahead of the fleet without being chased off its station by superior strength of the enemy. When it comes to fleet action, the submarine is a weapon of opportunity. There is no assurance that the submarine in fleet action will be as useful as surface vessels, but in all the steps leading up to fleet action, the submarine may play a very important rôle.

The mine-laying submarine is of value in that, unobserved, it may lay mines in or near the entrances to enemy naval bases and in localities of enemy naval activities. This form of attack may prove very effective in damaging or sinking combatant ships; in addition the constant threat of such mine laying makes necessary considerable sweeping operations which serve to delay or occupy enemy forces.

(11) In a hypothetical case of having to choose between submarines and fighting vessels of a nonsubmarine type, would not the choice be for the regular ship? Why?

This question can not be answered directly. There are so many factors that enter into the decision that with one set of factors it might occur that the need for submarines would predominate, while with another the need for submarines would not predominate. It is impossible to foresee with any degree of precision all of the factors and evaluate them sufficiently to make a decision in the case. It will oftentimes occur in certain phases of naval war that the submarine will be the sole type of naval vessel that can operate effectively in the execution of the particular task in hand. In other cases the usefulness of the submarine may be distinctly less than the usefulness of surface vessels. In general, a fleet must be built up and organized for the general exercise of sea power. It must be composed of vessels that are indicated by long study of the general world situation, of naval aims, and naval dangers. Such studies and estimates have led the Navy Department to submit for the consideration of the President and Congress a building program that represents the best professional opinion of the Navy. This program includes both surface and submarine vessels.

(12) What is the advantage of a large submarine of possibly 300 feet over all, as compared with one only 150 feet over all?

The advantage of a large submarine as compared with a small one is that the area of its operations is not limited to local areas. The small submarine is by its very nature restricted to operations in the vicinity of bases and ports of the United States. It can not go long distances at sea and remain in strategic positions for considerable periods of time. Its cruising radius is so restricted that it must remain

near sources from which it may replenish its fuel, its provisions, and where it may rest its personnel. The small submarine is, of course, much more uncomfortable for the personnel and wears them out quicker than the larger and more comfortable submarines.

The special situation of the United States in the matter of bases makes it necessary for us to build vessels that can cruise long distances at sea. This necessity applies with as much force to submarines as to surface vessels. Notwithstanding the necessity we are under, all nations building what might be called the larger class of submarines, we recognize that the larger the submarine the more it costs and consequently the fewer vessels we can get for a given expenditure. Our effort, therefore, in design is to keep the displacement of individual vessels as low as possible while still incorporating in them the necessary strategic and tactical qualities. This effort has resulted in a design of a vessel well below 2,000 tons.

Sincerely yours,

CURTIS D. WILBUR.

HON. GEORGE W. LINDSAY,
House of Representatives.

Mr. LINDSAY. Now, gentlemen, I would be presumptuous if I stated categorically that submarines are ineffective in combat and useless in offensive or defensive operations. I am not an authority on fleet maneuvers or naval strategy. Our people will support any plan that seeks to lessen the horrors of war on land or sea, so long as that plan does not imperil our national defense. Military and naval warfare is changing. The battle of the *Merrimac* and the *Monitor* marked the end of wooden warships of all classes. The development of the naval aircraft carriers may mark the end of the submarine.

I am in favor of preparedness. I want our Navy always efficient as to complement of men and classification of types of ships. I want our navy yards ready with equipment and trained mechanics. But I would not want to maintain a type of ship which is of doubtful effectiveness in service, especially when such ships so often become coffins for their brave crews.

My point is that since capital ships with low gun elevation have become obsolete largely because "spotting" airplanes permit them to be outranged, so, perhaps, airplanes make certain the passing of the submarine. If I am correctly informed, every American cruiser and battleship carries three planes. Only one British ship carries planes, the *Vindictive*, which carries six. Of course, this does not apply to additional planes carried by airplane carriers in much greater number. Ships like the U. S. S. *Langley* and the U. S. S. *Saratoga* carry a veritable fleet of airplanes. But battleships and carriers are already limited to agreed ratio under the naval limitation treaty. It is, therefore, in the submarine and cruiser class that the possibility of a race in naval armament lies. It is difficult to give any comparison of the submarine strength of nations because of the obsolescence element previously mentioned. Any such comparison would depend largely on the age of vessels included.

An idea of what each nation would relinquish in an agreement to eliminate submarines is roughly indicated in the following table, as of October, 1927:

Submarines of all classes

1. United States.....	56
2. Japan.....	49
3. Great Britain.....	35
4. France.....	22
5. Italy.....	9

Since the size and importance of these boats vary, let us examine the table of total tonnages:

	Tons
1. United States.....	84,722
2. Japan.....	52,266
3. Great Britain.....	46,888
4. France.....	45,069
5. Italy.....	17,252

If present plans for additional building are carried out, these totals will again change:

	Tons
1. United States.....	93,722
2. Japan.....	78,156
3. France.....	76,809
4. Great Britain.....	67,688
5. Italy.....	35,532

It might be of interest in passing to refer to Germany's position. Her once mighty fleet of submarines is now reduced to eight old obsolete boats, six of which are kept in commission under the treaty limiting her arms. But it may be that the money that would have been spent on submarines will be used to advantage in restoring her merchant marine, so Germany may console herself with the thought that Providence moves in a mysterious way its wonders to perform.

Gentlemen, I am not one of those who lack confidence in our naval officers. I can not forget their many acts of skill and heroism. Paul Jones, Farragut, Perry, Dewey, and Hobson,

and Gridley of "You may fire when ready" fame; and those many competent men in our World War whose names I shall not mention now because I would have difficulty in limiting myself to any select list—all carried on the traditions of the Navy. Officers and men, they go wherever duty requires. They obey orders. They will fight in tin tubs if necessary, but if that be not necessary, let us find out.

If we ask men to risk their lives in service aboard submarines, let us be sure the submarine is a legitimate member of the fleet and not a false pretender, unfit to ride at anchor beside the proud and honest man-of-war. I know the officers and men will give all that is in them, but has the submarine anything to give in combat from which unarmed noncombatants are removed?

Its little guns are pea shooters against the armored sides of ships of the line. Their marksmanship is uncertain in any seaway. On the surface they are doomed by the swift destroyer and submerged they are shattered by the depth bomb. Their vulnerability is their weakness, but in what is their strength?

They carry a limited number of torpedoes—a maximum of 18 and a minimum of 8 perhaps. When these are fired the submarine is out of action. They must get close to their target to insure a hit, because of limited number of torpedoes carried. Destroyers or watchful airplanes prevent them from showing their periscopes. So the difficulty of sighting the target is increased. Because of compartmentation of warships, many direct hits must be made before the ship sinks. Can it be done? I would like to know if a submarine could risk an attack on any modern naval vessel of fighting rank.

If the submarine is used principally to attack noncombatants—and such appears to have been the case in the great test of the World War—then it must be outlawed for such warfare is reprehensible and wholly violates the guaranteed rights of noncombatants. If it is obsolete as a type because of development of bombing and scouting planes, then it must go for less humane, but perhaps more persuasive reasons.

In any case, the submarine is prominently before us. Let us determine the facts fairly and conclusively and act with the courage of our convictions, so they who perished off Provincetown shall not have died in vain. [Applause.]

Mr. GRIFFIN. Mr. Chairman, I yield 30 minutes to the gentleman from Tennessee [Mr. ESlick].

Mr. ESlick. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record and to insert therein a number of documents, tables, and compilations of figures that are incident to and really a part of what I have to say.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

Mr. ESlick. Mr. Chairman, ladies and gentlemen of the committee, in the time allotted me I shall discuss the much-heralded and talked-of prosperity throughout the country. I am going to measure prosperity as reflected in the business conditions of the country. I shall apply the business yardstick to Harding normalcy and Coolidge prosperity. The President in his message says—

that the country as a whole has had a prosperity never exceeded.

The Secretary of the Treasury speaks of the steady employment of labor, that the country has been prosperous, and business and industry are stable. The press of the country tells us that we have had a great prosperity in 1927. It is proclaimed from the floor of this House by many of the administration followers. Stocks on the exchanges have gone up by leaps and bounds. My contention is that the claim of general prosperity is not sustained by the record. Speculative and inflated values in the gambling of stocks is an artificial prosperity and does not represent prosperity among the various classes of the people.

What is prosperity anyway? The Standard Dictionary defines prosperous as—

successful; flourishing; favoring; auspicious; fortunate; happy; well.

I am going to take the saying of the homely philosopher, Abe Martin, as a measure in summing up the question of real and practical prosperity. This quaint philosopher says:

Don't believe everything you read about prosperity. You kin tell when it hits you by feeling in your pockets.

I am going to talk about this kind of prosperity which affects the general public, the everyday man. This is the yardstick to measure our prosperity, because it affects 95 per cent of our population.

The President, the Secretary of the Treasury, and the leadership of the majority party throughout the country talk prosperity. Yet when we come to the question of tax reduction it

causes the President and the Secretary of the Treasury to find out whether we have, and will continue to have, this prosperity in the Treasury in 1928. When they come to feel in the Public Treasury "pocket" immediately the President warns the country that there must not be too great a reduction in taxation because the revenue will not be so great this year. The Secretary of the Treasury in substance says the same thing. Mr. Mills, the Undersecretary of the Treasury, warns against tax reduction because there will be less revenues this year.

Chairman GREEN, of the Ways and Means Committee, and the gentleman from Oregon [Mr. HAWLEY], a member of the Ways and Means Committee, each sounds the note of warning. Mr. HAWLEY says the automobile business has fallen off, railroad revenues are lower, and the steel business has fallen off. Chairman GREEN utters almost identically the same language. These gentlemen express the view that there should be small tax reduction this year, and the reason evidently is that there will be smaller revenues gathered from taxation, and, of course, smaller or less taxes means a deflation or smaller volume in business throughout the country.

In this discussion I have an authority for every statement made as to our business conditions, except as to idleness in the cities; and these statements are based on the best obtainable information, and which I believe reliable. Some of the statistics I have gathered through bureaus and departments of the Government and agencies of a statistical nature throughout the country, and through the financial journals and daily papers of the city. I have tried to fairly gather this information as to business conditions of the country, and especially with a view of comparing 1927 and January, 1928, with the calendar year of 1926. Of course, I have not been able to go into detail in each and every business and industry. The undertaking is too great. But I have tried and think that I have succeeded in gathering enough information as to the business and industries of the country that the condition, as compared in these two years, may be fairly reflected, and our present-day prosperity fairly measured.

I would not undertake to say that there has not been prosperity in some lines of business. If there were no incomes in the country, the revenues of the Government would be paralyzed. The Government had large revenues last year, but these revenues have been gathered from the few and not the many. A very, very small per cent of the people individually and in firms and corporations pay 90 to 95 per cent of the income taxes.

The prosperity of 1927 was confined largely and almost exclusively to a few units of big business. The greatest prosperity was in the stock exchanges. That was not a real prosperity, but speculative values in the exchange went far beyond values measured by earning capacity. Banks and insurance companies were prosperous. Chain stores did well. Automobiles and the steel companies made money, but were not nearly as prosperous as in 1926. Only to-day steel and motor stocks on the New York Exchange got \$1,000,000,000 squeezed out of them—paper values, of course. For these stocks are worth just as much as they ever were. But this is a sample of exchange prosperity. A few weeks ago there was another tumble on the New York Exchange, and the papers said then there was a loss of from one to three billion dollars; a sudden and severe shock to prosperity—shadowy prosperity, not substantial prosperity!

In the mercantile world mail-order houses, like Montgomery Ward, Sears-Roebuck, and similar houses, made great earnings; but to my mind, this is an evidence of adversity rather than prosperity, because when times begin to grow hard and money scarce, the average purchaser with small means tries to make his money buy as much and go as far as possible. They forget the home merchant. They deal with the mail-order houses where they may get the needed articles for a little less money. The business of the home-town merchant declines, while the business of the mail-order or foreign merchant grows. Thus the prosperity of this class of business was built up or enriched in 1927.

THE FARMER'S PROSPERITY

Mr. Chairman, in the discussion of our prosperity, or lack of prosperity, I am going to first discuss the basic business interest of the United States. I am going to talk about the class of American citizens having the greatest number of any one class—the American farmer, who produces the real wealth of the country. He produces the things the people absolutely need. Then I am going to talk about another great class of our people and our citizens—American labor. I shall first inquire as to the prosperity of these two classes of business.

What has the farmer to show for his labor for the last seven years? What gain in that period of time represents his prosperity? Mr. Chairman, all wealth, all property in whatever form, save land itself, represents the savings from the labor of

human hands in and upon the bosom of the earth. The farmer produces food and clothing for the teeming millions of the world. You may close down every factory, mill, forge; you may stop every railroad train; wreck every bank and insurance company; stop every spindle; close every furnace and factory in the land; and while the hand of progress would be turned back a full century the world would go on. It would live. He is the one man absolutely indispensable to the life of the people of the world. Destroy the farmer and you destroy mankind. If he should withdraw the products of his labor from the markets a single week the people engaged in industry and in the congested centers would be upon their knees hungry, and in six months the world would be naked.

The first of 1920 saw the farmer in better condition, with fewer mortgages and less debts, than at any time in our history. He was prosperous because the war had produced an unlimited demand for his products at high prices and good profits. What is the story of the farmer of to-day? Of the nearly 3,300 bank failures in the last seven years 94 per cent of these failures are in either agricultural States or parts of States supported by agriculture. His invested capital in lands in 1920 amounted to \$73,000,000,000, yet the first of 1927 it had diminished to \$58,000,000,000. His earnings upon this diminished capital have been only about 3 per cent. Corporate wealth has grown from \$99,000,000,000 to \$134,000,000,000, a gain of \$35,000,000,000, and it has earned nearly 13 per cent annually on its increased capital up to January 1, 1927. Not only are the farmers in the poor agricultural sections of the land bankrupt, but many of the very best farming sections, with the richest lands, are in a hopeless condition. May I point to one section? The Mississippi Valley and lower Mississippi Delta are probably the richest and most productive lands in the world. In discussing the flood situation recently Representative JAMES W. COLLIER, one of the ablest and most conservative of southern Representatives in this House, made this statement, that not only was that immediate section of the country affected by the flood but that over 3,000 miles of railroad transportation had been interrupted; that the water had covered over 12,000,000 acres of land in 174 counties in 7 States. Let me quote his language:

There are \$772,000,000 invested in mortgages on land and in bonds and \$45,000,000 are still outstanding of levee bonds. Now, its assessed value, so bonded and so mortgaged, aggregates \$815,000,000.

This 12,000,000 acres of land, as rich as any under the American flag, mortgaged and encumbered for one hundred cents on the dollar of its assessed valuation. Is the farmer prosperous? Is he flourishing? I give you these figures from the Department of Commerce—forced sales of farms for the year ending March 15, 1926—delinquent tax sales, 24,000; foreclosure of mortgages, bankruptcies, and so forth, 99,000; total, 123,000. In 1927 delinquent tax sales, 29,000; foreclosure of mortgage and bankruptcies, 102,000; total, 131,000; an increase in 1927 of 8,000 bankrupt or foreclosure farm sales. Each farm on the average has a family of four persons, and each year it was the loss of home to at least 500,000 people. In these two so-called prosperous years 253,000 landowners lost their farms through forced sales, not to mention the very large numbers who deeded their lands to mortgagees or through judgment and execution sales. In two years 253,000 American farm owners lost their homes. In these two years more men were sold out of house and home than faced each other in the Union and Confederate Armies on the bloody field of Gettysburg. I do not know the value of these lands, nor the liability of the landowners. I have no way of getting this, but I do know that, generally speaking, the larger farmers of the South and Southwest were hit hardest and they suffered most from the low-priced farm products. It is safe to say that these 253,000 farm owners were probably the losers of more money than any other class of business men. At \$5,000 a farm, their losses would be \$1,250,000,000. At \$2,500 a farm, which is a low estimate, it would be \$625,000,000, or nearly double the bank failures for the same two years.

Des Moines is in Polk County, Iowa. I have before me a copy of "The Des Moines Register, Saturday morning, November 12, 1927. The newspaper Iowa depends upon." This paper carries the advertisement of sale for delinquent taxes, with the time of sale fixed for the first Monday in December, 1927. It is signed by Allen Munn, treasurer of Polk County, Iowa. The first paragraph reads:

The following is a true and correct list of all lands and town lots in Polk County, Iowa, on which taxes for the year 1926 and previous years are due and unpaid, as appears from the several tax lists in my office.

This paper has 33½ pages, with five columns to the page, set in 6-point or small type, describing both city and farm lands for sale. It is too big a job to count the number of farms and town

lots and to add up the amount of taxes. In the statement accompanying the paper it is stated that—

There are about 32,000 pieces of land upon which taxes are delinquent, and, if you could get some one to total them all up, you will find it will run into the neighborhood of \$2,000,000 delinquent taxes in this county alone.

I have counted the number of pieces of land in one average column and added up the delinquent taxes in this column, and taking this as an average it will run about 30,000 parcels of land and about \$1,400,000 in delinquent taxes. This is from the capital city and county in the greatest corn-growing State in the Union. Certainly, the people of the capital city and county of this great agricultural Republican State must be firm in the faith of their fathers if they continue to vote for Republican success, and at the same time pray for deliverance from Coolidge prosperity and bankruptcy.

Not one farmer out of twenty in the last six years has made a clear dollar on his investment. Let us come to the concrete proposition of to-day. Step by step the farmer is slipping. Hogs in the early part of 1926 brought 12½ to 13½ cents a pound. The same class hogs to-day bring from 6 cents to 8½ cents a pound. The price of corn now is below the cost of production. The producer gets from 55 cents to 80 cents a bushel. The price of middling cotton is around 17½ cents a pound, and is below the cost of production; wheat may yield a slight profit at \$1.16 to \$1.28 per bushel. Oats are cheap, without profit. The rice farmers are all "broke," with rice at 85 cents a bushel when it costs more than \$1 to produce it. The various hays sell from \$6 to \$15 a ton, none of it at a profit, and much of it at an actual loss. Cattle are bringing a profit, and for the first time since 1920. This is due to scarcity. The farmer is involved in debt, with taxes increasing, and the price of the fruits of his labor fluctuating from production cost to a severe loss. The future does not hold out the hand of hope to him. He sells in the open markets of the world. He buys in the most restricted markets of any nation. He sells in a cheap market. He buys in a high market. His sale represents the extreme low price, his purchase the high price.

A Tennessee humorist once said:

The unpleasantness of the sixties put "Yankee Doodle" on the pension rolls and "Dixie" on her crutches.

Unfair, unjust, and discriminatory legislation has put big business on "Easy Street" and the farmer flat of his back in the bottom of the "ditch," helpless and hopeless. There may be a single ray of hope. The Agriculture Department on February 3, so the newspapers report, says that farm labor this year will be plentiful and at lower wages. The reason of this "back to the farm movement" is the collapse of business in the cities, and the manufacturing centers of the country have discharged a large amount of their labor. It is go back to the country and the farm for existence or join the idle army and the bread line.

In my own district, the seventh congressional district of Tennessee, in the very heart of the bluegrass section, in the basin of the middle division of the State, the assessed value of the land in the 11 counties has shrunk from 1920 to 1928, \$42,000,000, or approximately one-third. Eleven counties lying adjacent can not be found in any State surpassing these in fertility and diversity—in production and diversity of production.

LABOR CONDITIONS

I shall discuss the labor situation at length, for in point of wages and income it is the greatest business in the United States. We all know that the "party of high ideals" and "normalcy" claims great credit for the preservation of the rights and dignity of labor. What is the condition of labor to-day? Probably not since General Coxey's army marched on Washington has labor been in so deplorable a condition. In great sections of the country labor is hungry and starvation faces it. In other places, unhappy, underfed, and homeless, large parts of the labor population face the world.

The coal miners of central and western Pennsylvania, Ohio, and the northwestern section of West Virginia are in greatest distress. I have drawn you a pretty dark picture of agriculture. But it remained for the able and distinguished Republican leader from Kentucky [Mr. ROBSON] to draw a still blacker one for the coal people. In this House a few days ago, referring to agriculture, he said:

While one of our great basic industries has been in deep distress, yet the soft-coal industry of this country is in even greater distress.

And the gentleman knew what he was talking about. This is good Republican authority and undisputed. A great description of the condition of the coal miners of Pennsylvania was given to this House a few days ago by the gentleman from that State [Mr. CASEY]. It is admitted that the mine owners are

neither prosperous nor happy. The coal operators at the present wage scale say they are threatened with bankruptcy and that a reduction in labor charges must be made if the soft-coal industry is to survive. The miner's wage is now so low that he can not reduce it and decently support his family. Inquiry at the Department of Labor as to the coal situation shows it to be "very, very bad." Of the large number of miners engaged in the soft-coal fields, probably 250,000 of them are union miners. Soft-coal miners, union and nonunion, number about 625,000. A very large percentage of these are idle and unemployed. We have no export market for our soft coal. It is hemmed in at home. The result is financial distress, both to the operators and the miners. Oh, Mr. Chairman, the Secretary of the Treasury, who talks of marvelous prosperity and stability of business conditions throughout the country, this financial genius who has ascended the heights until he is probably the third richest man in the world, should turn his face to the outskirts of his home city, Pittsburgh.

The picture of prosperity greeting him is a gaunt famine's spectral brood in the shape of half a million miners, discontented, half of them hungry, shabbily clad, and homeless. And as Nathan said unto David, "Thou art the man," they point "the accusing finger" and ask, "Where is your prosperity? We are out of work; our families are hungry. The coal corporations have turned us out of doors to freeze and to die." No answer is made to them, and they look into the mysterious future without promise and without hope. "Man's inhumanity to man hath made countless thousands mourn."

This condition is not confined to any one trade or business or any one section, but it is throughout the country. When you tell the coal miner that he is having a hard time, the people who are boosting prosperity say to him, "This is local. This is only with you." If you tell the textile men of New England and the President's home State of Massachusetts that business is depressed they say, "This is local with the textile people." When the farmer complains—and knows—that he has had the hardest time of anybody they tell him, "It is only agriculture that is badly depressed." And when the sawmills are closing down by the wholesale they say, "Hard times are confined to the lumber and timber trade." In other words, they are trying to hold up and boost prosperity until after the presidential election. Communicable and pestiferous diseases are generally quarantined by the medical world to prevent the spread of the disease. The prosperity people right now are trying to quarantine "hard times" in each of the many classes hit so hard—trying to withhold it from the world until they can get by this fall's elections.

Mr. ROMJUE. Mr. Chairman, will the gentleman yield there for a question?

Mr. ESlick. Yes, sir.

Mr. ROMJUE. You have spoken of unemployment in the different sections of the country. I was wondering if the gentleman had observed that even here, within the shadow of the Capitol, we are having bread lines. Three weeks ago, I think, this last Sunday morning as I came out of church on my way home, in passing the Gospel Mission House down here I saw a large number of men standing in the bread line waiting for something to eat. I went in and contributed my little mite, and as I walked home I was wondering how the people of this country could longer refuse to believe that there were bread lines standing in the shadow of the Capitol.

Mr. ESlick. I thank the gentleman from Missouri for his suggestion. The scene he describes is right here with us, and he that hath eyes to see can behold it.

This is the Capital City of the Nation, where the Government pours out its millions in salaries every month, and yet we see the real-estate business with creeping paralysis; the general line of mercantile business is at a standstill. There is no prosperity here!

I am reliably informed that save for a few large and costly projects the building business is almost paralyzed. In the still trades, consisting of bricklayers, carpenters, blacksmiths, tin-smiths, painters, paper hangers, plumbers, concrete men, and allied classes of workmen there are 35,000 idle workmen in Washington City.

Mr. SPROUL of Illinois. Mr. Chairman, will the gentleman yield there?

Mr. ESlick. I do.

Mr. SPROUL of Illinois. As a matter of fact, we have the same conditions of bricklayers and carpenters and other building trades and mechanics out of employment every winter, no matter how good the times may be. Is not that a fact?

Mr. ESlick. From the day Woodrow Wilson became President until he went out of office we did not have them in the United States. [Applause.]

Mr. SPROUL of Illinois. My dear sir, that is absolutely right; but we had a war on at that time. Four million of our

men were enlisted, and if they were not out fighting for their country they were located in the camps here preparing to go, and there was work for every man you could get in those times. But it is not so during every winter in peace times.

Mr. ESLICK. I must object to the gentleman from Illinois taking more of my time, because I have a big subject to cover. I am glad the gentleman from Illinois concedes that I am absolutely right, that from the day President Wilson went into office until he went out, we had no idle men. But he assigns the reason that we had a war at that time. Wilson's first four years was a peace-time administration. We had the depression to contend with that was brought on by the war in Europe. The battle cry of 1916 was, "Wilson kept up out of war." If I am right, and the gentleman admits it, we had no idle men under Democratic administration either in war or in peace. [Applause.]

But as to the unemployed: Forty miles from here is the rich city of Baltimore. I am informed 75,000 people are out of employment there. St. Louis has 100,000 men jobless—they belong to the vast army of the unemployed.

But this is not the end of the story. New York is the richest city in the richest State in the Union. Unemployment is so great there that the governor has recently taken official cognizance of it, and has taken this matter up with the State and city authorities with the view of aiding the unemployed, both in the city and State. Remember this lack of employment and great suffering comes from the two most populous and the two richest States in the Union—New York and Pennsylvania.

But I am not through with the picture. If the newspaper reports are correct, factories and business operations are closing down, hundreds and thousands in every great city are without work, and especially east of the Mississippi River is this true. I wrote the Department of Labor for information that I might have it at first hand. But not a figure came to me. I am going to discuss this department a little later.

But through the Labor Bureau (Inc.), of New York, specialists in economic research for labor unions, we get a report as late as February 9. This report necessarily must relate to union men. There are 4,000,000 workers out of employment in the United States. Is this prosperity, when prosperity means to be successful and fortunate?

Four million men without employment necessarily go beyond any one line of business. It embraces many classes of employment. As early as September and October, 1927, many of the industrial plants were operating only from two to four days a week. The record is silent as to those working only part of the time. It is safe to say that half as many laborers are employed only part of the time as those completely out of work.

LABOR OF BIG BUSINESS

The Business Condition Weekly in its issue of January 14, 1928, contained a table of the 24 most important and greatest industries of the country. It compares the pay rolls of each for the month of November, 1927, with the same month of 1926. This table embraces other industries, but I have used only the 24 specific pay rolls of big business.

The table is as follows:

Weekly factory pay rolls

	November, 1927	Change from November, 1926 (Increase (+) or decrease (-))
		Per cent
Automobiles.....	\$8,691,000	-10.5
Iron and steel.....	7,345,000	-16.4
Foundry and machine shop products.....	6,267,000	-14.1
Car building and repair.....	4,968,000	-8.9
Cotton goods.....	3,849,000	+4.9
Printing.....	3,790,000	+1.5
Electrical products.....	3,406,000	-9.1
Lumber and millwork.....	3,239,000	-8.8
Slaughtering.....	2,185,000	-3.4
Baking.....	1,830,000	+2.6
Boots and shoes.....	1,823,000	-17.7
Furniture.....	1,676,000	-6.1
Hosiery and knit goods.....	1,583,000	+2.1
Pulp and paper.....	1,555,000	-4.3
Woolen goods.....	1,455,000	-6.7
Petroleum refining.....	1,445,000	-14.9
Tires.....	1,402,000	-9.8
Men's clothing.....	1,397,000	-5.4
Silk goods.....	1,132,000	-5.0
Steam-heat apparatus.....	1,095,000	-12.0
Glass.....	930,000	-9.8
Machine tools.....	845,000	-14.8
Hardware.....	784,000	-12.8
Agricultural implements.....	690,000	-3.1
Other industries.....	13,381,000	
Total.....	76,723,000	-8.0

I also have before me Business Conditions Weekly issued on February 11. It contains four tables. The first relates to building in 37 eastern States in 1927 as compared with 1926. The first table shows the building conditions by sections of the country and measured in square feet.

The second table shows the classes of construction, measured in square feet; 883,700,000 of building contracts in these 37 States were made in 1926 and 850,000,000 in 1927, or a loss of 33,700,000 square feet or 3.7 per cent.

The third table under weekly "factory pay rolls" shows a comparison of December, 1926, and December, 1927, on the same 24 most important industries in the country, comparing for the month of November, 1926 and 1927. It shows a gain in 1927 of 6 industries over December, 1926, and a loss in wages in 18 of the industries covering the same period, or a net loss to labor of 6.6 per cent in the month of December, 1927, as compared with December, 1926, and figured on this basis, labor had a net loss in 1927 during the month of December of \$4,247,694.

The fourth table shows a change in 1927 pay rolls as compared with 1926 in five of the most important industries. This is shown monthly. Automobiles gained in 3 months of 1927 and lost in 9, as compared with 1926. Iron and steel lost in each of the 12 months, and consistently. Its loss was 7½ per cent in January and 14.2 per cent in December. Foundries lost in 11 months and gained in 1. January it lost only one-half of 1 per cent, and in December it lost 14.7 per cent. Cotton goods gained in 11 months and lost in 1. The first month's gain—January—was six-tenths of 1 per cent and December was a loss of seven-tenths of 1 per cent. Its greatest gain was in July, 24.8 per cent. Lumber lost in all of the 12 months, beginning in January, 1927, with 5.6 per cent and ending in December with 9.3 per cent. These four tables are:

Building contracts by districts in 37 Eastern States

District	Year 1927	Year 1926	Per cent change
	Square feet	Square feet	
New England.....	63,200,000	71,200,000	-11.2
New York.....	226,000,000	252,600,000	-10.5
Middle Atlantic.....	97,000,000	97,400,000	-.4
Pittsburgh.....	87,200,000	87,100,000	+1
Central West.....	245,300,000	221,500,000	+10.7
Northwest.....	12,800,000	16,000,000	-20.0
Southeast.....	81,000,000	98,500,000	-17.8
Texas.....	38,100,000	39,400,000	-3.3
Total, 37 States.....	850,600,000	883,700,000	-3.7

In these 37 States residential building declined 5.1 per cent.

Building contracts by classes of construction in 37 Eastern States

Class	Year 1927	Year 1926	Per cent change
	Square feet	Square feet	
Residential.....	494,600,000	521,100,000	-5.1
Commercial.....	141,800,000	152,400,000	-7.0
Industrial.....	70,900,000	80,800,000	-12.3
Other.....	143,300,000	129,400,000	+10.7
Total, 37 States.....	850,600,000	883,700,000	-3.7

Weekly factory pay rolls

	December, 1927	Per cent change from December, 1926
Automobiles.....	\$9,447,000	+14.7
Iron and steel.....	7,414,000	-14.2
Foundry and machine-shop products.....	6,435,000	-14.7
Car building and repair.....	4,658,000	-10.3
Printing.....	3,962,000	+2.2
Cotton goods.....	3,740,000	-.7
Electrical products.....	3,473,000	-6.8
Lumber and millwork.....	3,088,000	-9.3
Slaughtering.....	2,266,000	-2.4
Boots and shoes.....	1,802,000	-14.4
Baking.....	1,800,000	+8
Hosiery and knit goods.....	1,622,000	+2.0
Furniture.....	1,610,000	-7.3
Tires.....	1,573,000	-1.1
Pulp and paper.....	1,535,000	-2.8
Woolen goods.....	1,475,000	-7.6
Men's clothing.....	1,470,000	-9.4
Petroleum refining.....	1,465,000	-16.1
Silk goods.....	1,214,000	+1.5
Steam-heat apparatus.....	960,000	-10.5
Glass.....	935,000	-9.9
Machine tools.....	870,000	-13.9
Hardware.....	786,000	-9.3
Agricultural implements.....	759,000	+1.8
Other industries.....	13,617,000	
Total.....	77,976,000	-6.6

Loss in wages, December, 1927, over December, 1926, \$4,247,694.

The trend of pay rolls in five important industries during the past 12 months is shown in the following table:

Per cent change in 1927 pay rolls, as compared with 1926

	Automobiles	Iron and steel	Foundries	Cotton goods	Lumber
January	-30.9	-7.5	-0.5	+0.6	-5.6
February	-15.7	-4.5	+7.5	+1.5	-8.5
March	-10.2	-3.1	-1.7	+3.3	-7.7
April	-4.7	-1.3	-4.0	+3.5	-9.7
May	+9	-3.8	-5.3	+11.3	-7.5
June	-11.2	-4.9	-8.8	+14.3	-8.9
July	-8.5	-10.0	-8.2	+24.8	-8.3
August	-10.7	-7.5	-9.0	+21.6	-8.7
September	-13.5	-13.5	-11.1	+12.6	-7.8
October	-11.6	-17.2	-14.3	+9.2	-8.6
November	-10.5	-16.4	-16.4	+4.9	-8.8
December	+14.7	-14.2	-14.7	-7	-9.3

Twenty of the twenty-four industries in November, 1927, paid less wages than in November, 1926. The greatest loss was in the industry of boots and shoes—17.7 per cent. The highest of the four making a gain was in cotton goods—4.9 per cent. There was a net loss to labor of 8 per cent in November, 1927, compared with November, 1926. The combined pay rolls of these 24 industries for the month of November, 1927, was \$63,342,000. Figuring the 8 per cent loss on the smaller sum for this one month, labor had a net loss of \$5,067,000.

I have been unable to get any correct data on the pay roll of the entire country in 1926 and 1927. I understand it is not obtainable. The last report of the Bureau of the Census was in 1925. From the census of manufactures I find that the total labor wages of 187,390 establishments amounted to \$10,729,968,927; 8,384,261 people or wage earners were employed in these establishments. The Alexander Hamilton Institute places the national income of 1927 at \$103,400,000,000, and estimates that labor received from 54 per cent to 59 per cent of this great sum. It takes the figures 57 as the basis for the 1928 labor pay rolls, which is fixed at \$58,398,000,000.

If this is a fair and correct estimate of labor wages, applying the 8 per cent average decline in November, 1927, measured by the pay rolls of the 24 most important industries, it results in a shrinkage or loss to labor of \$4,715,040,000 from December, 1926, to December, 1927. It is a stupendous loss to labor in one year, and a great leakage from the prosperity gas balloon.

But this is not a fair average to labor losses. The 8 per cent and 6.6 per cent losses are an unfair yardstick. The 24 most important industries of the Nation did not feel depression like the smaller concerns of the country. The little fellow always gets hit first and hardest. His labor suffers most. If we knew the real facts, labor's loss was nearer \$10,000,000,000 during the comparative time than is shown in the record of the big operators.

THE BREAD LINE

But back to my subject. I read this newspaper item:

HUNGER STAGES A COMEBACK

NEW YORK, February 9.—For the first time since the winter of 1920 and 1921, a bread line has been established in the Bowery. Thousands of men are out of work, and the numbers are being constantly augmented. Last week the Bowery Mission fed 7,202 men, the Rev. John R. Henry said to-day. Other and similar organizations are active, and some of the social workers insist that a crisis is at hand. If severe winter sets in, suffering will be intense.

It has been handed down to us that—

the birds of the air have nests; the foxes of the earth have holes; but the Son of Man hath no place to lay his head.

New York City is composed of the sons of man, and verily they have no place to lay their heads.

Mr. Chairman, I am aware that things have not always been well under Democratic administrations. Yet, sir, this country has never witnessed a real panic except within or as inherited from a Republican administration. The panics of 1873 and 1897 were during Republican administrations, and the panic of 1893 came in a Democratic administration, but that panic dropped into the lap of the Cleveland administration from the Harrison Republican administration, just as darkness falls from the storm clouds to the face of the earth. I have heard from the stump and in this House the story of the panic of 1893. We have been chided with the soup houses and the bread line and "over the hill to the poorhouses."

Mr. SIMMONS. Mr. Chairman, will the gentleman yield?

Mr. ESLICK. Not now. Let me proceed. Let me say we had a hard condition then.

Hard times came to us in a Democratic administration. This unwelcome visitor was knocking at the door when the Demo-

cratic administration came into power March 4, 1893. That was a serious time indeed. Democrats marched from the bread line "over the hill to the poorhouse." But they did it with brave hearts and unfaltering faith. They looked the world in the face, poor but honest, conscious of no wrong, and with the greatness of self-respect. [Applause.]

Democratic administrations gave to the United States the most constructive legislation our history records. It gave to the world its greatest banking system—the Federal reserve bank, the Federal land bank, the intermediate credit bank—a great system. And had it not been for these—children of progressive democracy—business would have been wiped from the face of the earth in 1920 and 1921.

Yet with this great Democratic inheritance, nearly seven years after our return to normalcy by the Republican route, the bread lines are here; the soup kettle is on. This administration must put the salt and pepper in the broth, for it bears the Harding-Coolidge label. [Applause.]

Mr. UNDERWOOD. Will the gentleman yield?

Mr. ESLICK. Yes.

Mr. UNDERWOOD. While the gentleman is touching upon the subject of soup houses, I desire to say that a few days ago I received a telegram from the treasurer of the Perry County Chapter of the American Red Cross at New Lexington, Ohio, stating that hundreds of children in that county were without food and clothing. I might add that in our State thousands of women and little children are facing actual want and starvation. Something like 75 soup houses have recently been established by the Governor of Ohio under the supervision of the National Guard, and they are giving approximately 5,000 little children one meal a day in order to prevent them from starving.

Mr. ESLICK. I thank the gentleman from Ohio for this statement. Let me say that when our brethren of the opposite party start over the hill to the poorhouse, they will find the present path hard to travel. They will find it slick and slimy, bespattered with the oil taken from the public lands. It was put there by and through the corruption, bribery, and prostitution of men high in public places. [Applause.] That pathway will have some markers on the mile posts. The names of one-time great officials, Cabinet officers, and of oily multimillionaires will point the way. One of them will have written on it the name of Fall, another Doheny, another Daugherty, and still another Sinclair. A great Senator, a great Democrat, a great American citizen, has caused the latter-day eleventh commandment, "Thou shalt not get caught," to be violated. It has been broken. It is shattered. Foul odors still linger. The private buccaners and public plunderers have been caught.

Mr. SIMMONS. Will the gentleman yield?

Mr. ESLICK. Yes.

Mr. SIMMONS. How many unemployed did the gentleman state there were in the city of Washington?

Mr. ESLICK. I have heard it stated as high as 65,000, but the best information I can get is 35,000.

Mr. SIMMONS. Is the gentleman's other information as reliable as that?

Mr. ESLICK. Well, sir, I have gotten it from the best news-gathering agencies of the country, a part of it from your own departments here in Washington.

The gentleman from Nebraska [Mr. SIMMONS] offered to read a newspaper report. I know what the gentleman is going to read. He is going to read from the Washington Post of this morning, and that bears out what Abe Martin says, "Do not believe what you read in the newspapers"; but you "kin" stick your hands down in your pocket. [Applause.]

Mr. SIMMONS. May I read to the rest of the membership of the House the thing that the gentleman does not want me to read?

Mr. ESLICK. No; I can not let the gentleman read that in my time, because I have too many brickbats on hand to throw at you. [Applause.]

Mr. CONNALLY of Texas. That paper is owned by a gentleman who was also involved in this slippery oil transaction to which the gentleman referred a moment ago. [Applause.]

Mr. ESLICK. I thank the gentleman from Texas. This is true.

I want to say a word about the United States Department of Labor and its Bureau of Statistics. In to-day's paper I see an article headed "Davis sees gain in unemployment." He says:

We have unemployment in the country. Everyone knows it. Why not admit it? As to the total number of people now unemployed, a number of estimates are going the rounds. My own guess is that these are somewhat exaggerated. The Department of Labor is now gathering figures to show what the unemployment total is, and as soon as these figures are ready the public shall have them.

Has it not always been the duty of the Department of Labor, and especially the Bureau of Labor Statistics of that department, to gather these statistics? Why have they not been gathered year by year? I have made faithful effort with the Department of Labor to get figures as to the unemployment in the country that I might be able to make statements at first hand and with the best—and what should be the most correct—available information. Certainly it is a very late hour that the department is gathering figures as to unemployment. The unemployed have grown in numbers for some time. Everybody knows this. I wrote the Department of Labor, Bureau of Statistics, asking for information of the unemployed in the country as of January 1 and February 1, 1926 and 1927, and in several cities. As late as February 7, 1928, the Commissioner of Labor Statistics writes me:

I have your letter of February 6, and in reply to same will state that this bureau has no record of idle or partially unemployed men for the dates you mention or for any other date.

This bureau, which should have gathered correct information is prolific for what it does not know or fails to let the country generally know. This bureau is being maintained with the public money, to gather information of this kind, and if it can not be obtained and will not be given to the Representatives of the people, then this bureau should be abolished or the appropriation withheld from it.

TEXTILE BUSINESS

I take it that it is unnecessary to make the statement that the textile mills were not as prosperous in 1927 as in the preceding year. The President, in his message, spoke of the great prosperity of the country, with only a few unfavorable spots. For a few moments let us visit his home State. From one of the newspapers I took a clipping headed "Mills to cut wages." It came from the great textile center of Fall River, Mass., and was dated January 20. It reads:

The Fall River Cotton Manufacturers' Association last night notified the textile council that a 10 per cent wage reduction would be put into effect January 30 at all mills operated by members of the association.

The 3d day of this month I picked up the morning paper and saw a headline:

Fire ravages Fall River—Flames start in idle textile plant.

And further down in the article I read of the great losses of the fire, adding this significant sentence:

On top of the industrial depression which was already being felt here, the blow was the most disastrous in the history of Fall River.

The President's own State is heard from at Salem, where the Naumkeag Mills, cotton manufacturers, and its subsidiary, the Danvers Bleachers, in Peabody, suspended operations on February 6. In Rhode Island, on February 2, it was reported that the Lonsdale Co., of Pawtucket, one of the oldest cotton-manufacturing firms in Rhode Island, announced the shutdown of the Ann and Hope Mills, due to poor business. The No. 4 mill of the same company closed the week before—suspension indefinite. In normal times nearly 1,000 operatives are employed in the two mills.

Passing from the closing down of specific mills, I want to quote from a man who knows the New England situation, and is familiar with the conditions of the textile industry in the President's home State. I quote from a speech of the junior Senator from Massachusetts, DAVID I. WALSH, delivered in the Senate February 3, 1928:

Mr. President, I will say to the Senator from Utah that it is impossible for me to give an accurate statement of the number of factories that have been closed in the immediate past. I am frank to state, however, that if the figures were available they would be startling. A very large number of factories have been closed, and an exceedingly large number are running on reduced time. I have seen statements to the effect that the textile industry is running at a production for more than a year of about 40 to 60 per cent of normal conditions. Unemployment, I regret to say, is widespread, and the situation in the textile communities throughout New England and northern New York is very bad, indeed.

Again, he says:

I can not find words to impress upon the Senate that very many of the textile industries, a large percentage of them, particularly cotton, although it includes the woolen also, are passing through a grave financial depression. The situation is most deplorable. I know not the precise words that would indicate the real condition. It is a regrettable situation—unemployment widespread, wages reduced, and the future outlook far from encouraging.

STEEL AND IRON

I have succeeded in getting reports on only six of the steel and iron corporations of the country; that is, as to the income before fixed charges. But I have been unable to get the total earnings or revenues for the year 1927. However, I think these are fairly representative. The United States Steel Corporation, the biggest of them all, the steel octopus, had a total revenue of \$1,508,076,000 in 1926; I have no information as to its total revenue for 1927. It had a net revenue or earnings in 1926 of \$199,005,000; for 1927 its net earnings were \$164,247,000, or a loss in net revenue in 1927 of \$34,758,000.

Jones & Laughlin Steel Corporation, the third largest in the United States, had \$15,149,994 net income in 1926, with \$11,238,939 income for 1927, or a net decline of \$3,910,985 last year.

The Bethlehem Steel Corporation, and a very large organization, had \$304,362,000 gross sales and earnings in 1926. No report has been made of gross earnings for 1927. Its net revenues or earnings for 1926 were \$45,405,000, and in 1927, \$40,379,000, or a loss last year of \$5,159,000.

The Republic Iron & Steel Co. for 1927 had a net income of \$3,018,282, with \$5,065,022 return in 1926, or loss in income of \$2,046,940, or approximately 40 per cent decline in revenues.

Two companies reporting income before fixed charges show a loss. The A. M. Byers Co. in 1926 had \$1,466,000 income and in 1927, \$1,377,000, or a loss of \$89,000. The Pittsburgh Steel Co. in 1926 had an income of \$2,909,000 and only \$2,438,000 in 1927, or a loss of \$461,000. The loss in net revenues in the steel industry runs from a small percentage to 40 per cent, in round numbers, during the year 1927. The largest and strongest steel company in the world sustained the enormous loss in net revenues of \$34,758,000. Yet despite this large reduction in profits for the year 1927, United Steel common on the New York Stock Exchange went to the highest values in its history. Its earnings were down 20 per cent; its speculative value advanced greatly. It simply shows that prosperity on the exchange is not measured by earnings. It is not a real but a fictitious or speculative value.

AUTOMOBILES AND ACCESSORIES

The automobile is playing a conspicuous part in the business life of the Nation. If any line of industry should make money, this line of trade should make it—and its allied interests, trucks and the manufacturers of automobile parts and accessories. But few of the manufacturers of automobile trucks and parts have submitted reports for 1927 now available. Of course, it is not fair to charge the failure of the Ford people to make the same dividends last year as in preceding years, because his cars were in the formative stages from the old tin Lizzie to the new car. The report of Dodge Bros. shows that the net sales of this company in 1927 were \$173,581,526, as against \$252,997,434 for 1926, or a net loss of \$79,415,910 in volume of sales.

Of five companies showing the income before fixed charges and reporting, two of the five show profit. The Hudson Motor Car Co. for 13 months ending December 31, 1926, shows \$5,373,000, as against the 1927 earning of \$14,431,000. The Indian Motorcycle Co. shows an earning for 1926 of \$212,000, as against \$256,000 for 1927. The Marmon Motor Co. shows an earning for 1926 of \$1,670,000, as against \$1,240,000 in 1927.

The Nash Motor Co. shows for 1926 \$23,346,000 as against \$22,671,000 in 1927. The Packard Co. shows \$15,844,000 in 1926 and \$11,743,000 in 1927. The reports on automobile parts and accessories show incomes before fixed charges of C. G. Spring & Bumper Co. for 1926 \$548,000 and for 1927 \$319,000. The Continental Motor Corporation shows the earnings of 1926 to be \$2,569,000 as against \$1,756,000 for 1927. The Martin-Parry Corporation's earnings of 1926 was \$518,000 and a deficit of \$5,000 for 1927. The A. O. Smith Co. shows a profit in 1927, its earnings being \$3,946,000 as against \$2,029,000 for 1926.

OIL COMPANIES—COAL AND COKE

I have tried to get the correct information to make comparisons of the volume of business and earnings of a number of the big oil companies like the Standard Oil Co. of New Jersey, the Standard Oil of Louisiana, Gulf Refining, and others. I have been able to get only one really large and two fairly large companies—the Standard Oil Co. of New York, Marland Oil Co., and the Prairie Oil & Gas Co. The Standard Oil Co. of New York had a net income of slightly over \$16,000,000 in 1927. It had \$32,776,502 income in 1926, or twice as much as last year's returns. The Marland Oil Co.'s gross earnings for 1926 were \$77,608,000 as against gross earnings in 1927 of \$56,322,000, and

after giving effect to reduction in its crude oil inventories it showed a net deficit of \$2,794,928. The Prairie Oil & Gas Co. will show net earnings of \$2,500,000—slightly over \$1 per share—for 1927, as against \$15,968,000, or \$6.62 a share, for 1926.

I have also tried to get figures on the big coal and coke companies like the Consolidation Coal Co., the Glen Alton Co., and others. The only information that I am able to get is on the Leigh High Coal & Navigation Co. And this is a pretty sad commentary. The net income of this company after the payment of all taxes and charges against it in 1926 was \$4,177,446. Its net income for the year 1927 was \$2,932,000, or a falling off of \$1,245,446.

Probably in summing up the returns of the various lines of business and industry throughout the country to ascertain whether there is a genuine prosperity it would not be fair to charge the losses arising in the coal industry against a general prosperity, because this line of business has had serious and unfortunate troubles with labor.

Railroads

[Compiled from monthly reports January 1–December 31, as reported to the Interstate Commerce Commission]

(Dollars in hundreds omitted)

Railroad	Gross operating revenue		Net operating income		Gross income (including income from other sources)		Net income	
	1926	1927	1926	1927	1926	1927	1926	1927
New York Central.....	\$399,538	\$385,047	\$72,158	\$62,228	(1)	(1)	(1)	(1)
Pennsylvania.....	709,817	664,851	106,433	103,977	(1)	(1)	(1)	(1)
Union Pacific.....	205,416	203,892	42,100	39,483	(1)	(1)	(1)	(1)
Missouri Pacific.....	133,990	125,728	20,334	16,899	\$23,955	—	\$8,632	\$4,401
Atlantic Coast Line.....	97,158	80,453	17,559	10,274	(1)	(1)	(1)	(1)
Southern Railway.....	155,468	147,639	35,529	32,765	41,386	\$39,588	23,597	21,700
Louisville & Nashville.....	147,313	144,605	27,073	23,877	(1)	(1)	(1)	(1)

¹ Estimated gross and net income only are available at present for these railroads.

The Illinois Central runs for a thousand miles through the rich Mississippi Valley. At the close of the year 1927 it had only \$12,131,871 available for dividends, a decrease of \$5,018,527 compared with funds available for dividends in 1926.

W. B. Story, president of the Atchison, Topeka & Santa Fe, says that he does not expect earnings for the first half of 1928 to be as large as a year ago.

Robert L. Nutt, chairman of the Seaboard Air Line Co., declares that the outlook for the current year is favorable, and predicts larger earnings, but he said the Seaboard Air Line's earnings, along with the earnings of other railroads of the country, showed a decline in 1927. He predicted future earnings upon the heavy movement of vegetables, citrus fruits, and phosphates. The vegetable and fruit crops of the South were destroyed in part, or as a whole, by the heavy freezes. His hope of greater revenue is doubtless blasted. Freight traffic on this line was 14.5 per cent lower in January, 1928, than in January, 1927—176,012 cars January, 1928, as against 205,806 last year.

The total car loadings of class 1 railroads in 1926 were 53,098,819 cars. In 1927 the same roads carried 51,714,302 cars. This shows a decline of 1,384,517 cars. And a further decline in railroad haulings, the week of December 31, 1927, revenue freight amounted to 679,600 cars, or a drop of 149,406 cars compared with the preceding week, and 54,631 cars against the same week in 1926. Miscellaneous freight loads for the week total 237,000, a decrease of 10,036 cars compared to the corresponding week of 1926. Showing the various items, there was a loss in shipments of coal of 29,885 cars; grain and grain products, an increase of 743; in livestock a decrease of 614; in merchandise and less than carload lots a decrease of 6,140; a decrease in forest products of 3,132 cars; a decrease in ore of 2,886; coke, a decrease of 1,761, as stated by the American Railway Association. It also makes the statement that the loading of revenue freight on the railroads for the week ending January 28, 1928, aggregated 902,832 cars, an increase of 18,737 over the preceding week, but a decrease of 4,147 cars as compared with the corresponding week in 1927.

Class 1 railroads for the first 11 months of 1927 had gross earnings of 3.3 per cent less than in the corresponding months of 1926. Operating expenses declined 1.6 per cent, and the net operating income of these roads was down 10.8 per cent. In plain English, the operating income of class 1 railroads for the first 11 months of 1927 was off one-tenth of the operating income for the preceding year.

TELEGRAPH COMPANIES

The Western Union Telegraph Co.'s operating revenue for 1927 was about \$250,000 less than in 1926. The Pacific Telegraph & Telephone Co. had about the same reduction in operating revenues in 1927 as against 1926.

RAILROAD EARNINGS

The greatest prosperity of the country has been with the stock exchange. Then it has been claimed that the railroads were extremely prosperous in 1927. But 1927 compared to 1926 shows the railroads did not measure up and have received less gross as well as net operating income. I am able to get the reports of but a few of the larger railroad systems of the country, but I am inserting a table showing both the gross operating revenue and the net operating income of seven of the big railroad systems of the country. These are scattered in the East, the West, and the South. This table was compiled for me by the Standard Statistics Co., of 200 Varick Street, New York City. It omits the three last naughts in each instance, showing millions and thousands, omitting the hundreds:

LUMBER

Building throughout the country is at a standstill compared to the active and vigorous years behind us. Take the timber industry and lumber market—it is practically dead. I know by a limited personal experience in this business and after talking to lumber and timber men that lumber and timber are badly off. The better grades of hardwood lumber in the rough which a year ago were selling from \$40 to \$60 a thousand are now bringing from \$22.50 to \$35 per thousand. Bill lumber, or "bill stuff," as it is called by the lumber people—the rougher and cheaper lumber cut to order for railroad purposes—which brought \$28 to \$30 a thousand in the early part of 1926, is a drag on the market at \$18 to \$20 per thousand now. Cross-ties, first-class oak ties, were bringing \$1.25 to \$1.40 a year ago, and are now worth from 70 cents to 85 cents.

MISCELLANEOUS BUSINESS

I can not go into detail in the various lines of business nor handle all the lines of industry, but only to mark out enough in the different classes, the pointers, to show the real conditions. "Charity begins at home." The income of the Washington Gas Light Co. for the year 1927 was \$142,955.43 less than in 1926.

Going to the West, the Butte Copper & Zinc Co. for 1927 fell to \$58,309 as against an earning of \$194,524 for the year of 1926.

In our neighboring city of Baltimore the directors of the United States Railway & Electric Co. failed to pay the quarterly dividend of 1 per cent, or 50 cents a share, which in the orderly course would have been declared on February 15. The reason assigned by the president was that the dividend was not fully earned. The surplus for 1927 was only \$1.17 a share, when the dividend disbursement calls for \$2 per share. In 1926 the company earned its dividend plus \$196,606. In 1927 it lacked \$136,448 of earning its dividend, a difference of \$332,054 in favor of the 1926 earnings.

Showing the lack of business and business activity, a Baltimore news item of February 4 says that business on the stock exchange at Baltimore—

since the first of the year has dropped to comparatively unimportant proportions. Individual transactions are for the most part small, and few issues figure in the sales. There is an absence of that aggressive buying which marked deals a few months ago and which carried prices up to the highest levels ever attained. Even the surety companies have failed to respond to the excellent statements of earnings put out.

The Gould Coupler Co. had net profits of \$52,118 for 1927, or equal to 30 cents a share on class A of its stock, which in 1926 it had \$191,669 in earnings, or \$1.09 a share. The earnings of 1927 were \$147,551 less than the preceding year. The last, or fourth quarter of 1927, showed a net loss of \$101,102 to this company.

As of February 10, the Sharon Steel Hoop Co.'s statement shows for 1927 nearly a 60 per cent loss compared with 1926. Its net profit for 1927 was \$555,518, or \$1.65 a share, as against \$1,381,715, or \$4.54 a share, in 1926.

The Canada Dry Ginger Ale (Inc.) had an income of \$2,350,000 in 1926 and \$1,736,298 in 1927, or loss of \$613,702 for last year—approximately 25 per cent.

La Coty (Inc.) (powder and perfume) in 1926 had \$3,341,189 income, and in 1927 had the smaller income of \$2,043,484, or a loss of \$297,705.

Under miscellaneous manufacturing I find in the group given by Standard Statistics (Inc.) a list of corporations giving income before fixed charges:

	1926	1927	Loss in 1927
Glidden & Co.	\$2,378,000	\$2,205,000	\$173,000
Morgan Lithograph Co.	562,000	461,000	101,000
Liquid Carbonic Co.	1,416,000	1,075,000	341,000
Pullman (Inc.) ¹	16,297,000	9,675,000	6,604,000

¹ The Pullman report for 1927 is for 11 months only.

This same company, under machinery and machine equipments for 1926 and 1927, and on the same basis of income gives these results:

	1926	1927	Loss in 1927
Torrington & Co.	\$1,545,000	\$1,537,000	\$8,000
American Type Founders Co.	1,309,000	1,118,000	201,000
Mergenthaler Linotype Co.	2,625,000	1,803,000	822,000

The Baldwin Locomotive Works, the largest of its kind, had an income of \$5,883,907 net income in 1926, and \$2,442,199 in 1927—a net decline in revenues in 1927 of nearly 60 per cent, or \$3,441,708.

BANK FAILURES

I shall discuss one more line of business and then I am through. I want to talk about the banking condition and sit-

uation from the beginning of 1914 to the first of 1928. The bank is to business, trade, and commerce what the heart is to the human body. As the human heart takes in and pulses through the body the blood of life, so do the banks take in money, the liquid assets, and dispense credit throughout the Nation, through its different arteries and channels of trade.

Nineteen hundred and fourteen saw the beginning of the World War, the bloodiest tragedy in human history. Depression hit the country in the summer of 1914 and the early part of 1915. Yet the bank failures or disasters of the period from 1914 to 1920, both inclusive, are not comparable to the disasters of the seven years beginning with 1921. From 1914 to 1920, both inclusive, 227 State commercial banks failed or suspended with liabilities of \$43,537,000. During the same period of time 19 State savings banks, with liabilities of \$17,254,000 suspended. There were 34 State loan and trust companies to go to the wall with \$20,248,000 liabilities. Private banks to the number of 113, with liabilities of \$45,069,000, also failed. Sixty-three national banks, with \$35,608,000 liabilities, failed. So during the years of 1914 to 1920, both inclusive, of all kinds and character of banks in the United States, there were 456 failures or suspensions, with liabilities of \$161,716,000. This was the low-water mark for seven years, considering the fact that one heavy depression, due to the World War, hit us in the latter part of 1914 and the early part of 1915. This was due solely to the World War situation.

Permit me to turn now to the most appalling condition and the unequaled record of bank failures, not only in the history of our country, but in the history of the world. I speak from the record of the bank suspensions and failures for the years 1921 to 1927, both inclusive; I have before me a table of the number of bank suspensions and liabilities involved in the United States from 1920 to 1927, inclusive, the source being Dun's Review. This table of cases is not only by years, with the number of bank failures or suspensions and the liabilities, but I have had it prepared for the several sections of the country in the grouping of the States.

I am omitting from this argument the year 1920. This was included in the seven years just referred to and was under the Wilson administration. It is true that the Wilson, or Democratic, administration extended two months into 1921, but we take up the thread of the story in the first year of the Harding administration and bring it down to the first of the present year.

I ask permission to insert this table in the Record as a part of my remarks:

Number of bank suspensions and liabilities involved in the United States from 1920 to 1927, inclusive

[Source, Dun's Review]

States	Number, 1920	Liabilities, 1920	Number, 1921	Liabilities, 1921	Number, 1922	Liabilities, 1922	Number, 1923	Liabilities, 1923
NEW ENGLAND								
Maine							1	\$510,000
Vermont	1	\$200,000						
Massachusetts	6	26,828,000	2	\$15,100,000			1	292,295
Connecticut			1	1,522,245	1	\$263,787		
Rhode Island							1	1,150,000
Total	7	27,028,000	3	16,622,245	1	263,787	3	1,952,295
MIDDLE ATLANTIC								
New York	3	109,000	2	12,416,471			4	16,629,000
New Jersey					2	150,000		
Pennsylvania			3	1,687,000	4	1,444,883	5	5,620,000
Total	3	109,000	5	14,103,471	6	1,594,883	9	22,249,000
SOUTH ATLANTIC								
Maryland	1	50,000	5	898,826	3	390,000	3	296,000
Virginia	1	300,000	4	620,000	4	181,200	3	710,000
West Virginia			1	450,000	1	500,000		
North Carolina	1	50,000	11	1,065,885	3	685,000	16	5,242,415
South Carolina	3	889,400	5	3,753,905	10	5,502,753	8	3,775,238
Georgia	15	1,410,000	40	10,478,937	12	2,710,000	6	1,068,000
Florida	1	300,000	6	3,226,000	5	822,000	3	1,895,612
Total	22	2,999,400	72	20,493,553	38	10,790,953	39	12,985,265
SOUTH CENTRAL								
Kentucky			3	315,000	2	510,000	4	712,660
Tennessee			3	1,600,000	1	276,000	3	1,570,123
Alabama			1	1,400,000			2	245,000
Mississippi			3	4,792,119	9	1,369,221	2	200,000
Arkansas	5	2,070,000	2	100,000	5	1,442,789	3	605,400
Oklahoma	3	400,000	13	4,588,339	26	9,680,255	34	9,454,521
Louisiana			5	417,990	5	1,152,694	3	590,000
Texas	10	1,527,000	48	24,724,168	17	2,923,509	13	4,321,525
Total	18	3,997,900	78	37,937,586	65	17,353,468	64	17,699,229

Number of bank suspensions and liabilities involved in the United States from 1920 to 1927, inclusive—Continued

States	Number, 1920	Liabilities, 1920	Number, 1921	Liabilities, 1921	Number, 1922	Liabilities, 1922	Number, 1923	Liabilities, 1923
CENTRAL EAST								
Ohio.....	1	\$2,200,000	1	\$223,237			6	\$1,951,623
Indiana.....	2	800,000	4	511,391	5	\$652,000	5	1,970,117
Illinois.....	5	335,000	9	6,006,673	2	120,129	3	1,165,212
Michigan.....	1	103,000	5	1,256,413	1	50,000	3	1,323,100
Wisconsin.....							9	1,572,616
Total.....	9	3,438,000	19	7,997,714	8	822,129	26	7,982,668
CENTRAL WEST								
Minnesota.....	3	570,000	13	3,669,413	14	3,334,613	34	13,481,570
Iowa.....	4	1,038,000	17	3,075,230	7	1,746,496	30	11,550,212
Missouri.....	3	250,000	15	2,390,183	13	4,557,796	25	6,211,618
North Dakota.....	30	5,681,000	35	8,456,159	6	1,521,445	130	32,025,284
South Dakota.....	1	100,000	1	316,373	6	1,752,622	33	8,990,540
Nebraska.....	3	390,000	27	8,280,863	21	5,409,000	11	3,095,617
Kansas.....	2	725,000	11	3,246,025	18	5,405,445	28	6,956,800
Total.....	46	8,754,000	119	29,434,246	85	23,727,417	291	82,311,641
WESTERN								
Montana.....	1	100,000	12	5,319,954	31	9,149,000	76	33,364,750
Idaho.....	1	75,000	22	12,698,048	8	2,085,000	11	5,165,217
Wyoming.....	1	350,000	6	857,000	2	450,000	8	2,027,300
Colorado.....	5	2,709,000	10	1,348,593	7	2,199,448	18	6,245,410
New Mexico.....			5	1,185,085	3	241,382	12	6,355,781
Arizona.....	2	75,000	8	4,976,614	4	2,124,931	8	2,961,550
Utah.....			6	1,716,496	2	216,147	2	926,000
Nevada.....					1	138,305		
Total.....	10	3,309,000	69	28,101,790	58	16,604,213	135	557,046,008
PACIFIC								
Washington.....			10	8,423,177	5	906,622	4	616,212
Oregon.....	2	600,000	6	3,167,857	5	4,897,079	7	895,720
California.....	2	475,000	2	1,567,916	5			
Total.....	4	1,075,000	18	13,158,950	15	6,578,701	11	1,511,932
Total, United States.....	119	50,708,300	383	167,849,555	276	77,735,551	578	203,738,038
States	Number, 1924	Liabilities, 1924	Number, 1925	Liabilities, 1925	Number, 1926	Liabilities, 1926	Number, 1927	Liabilities, 1927
NEW ENGLAND								
New Hampshire.....			1	\$1,075,000				
Connecticut.....	1	\$2,700,000	1	180,904				
Rhode Island.....			1	143,800				
Total.....	1	2,700,000	3	1,399,704				
MIDDLE ATLANTIC								
New York.....	4	640,000						
Pennsylvania.....	2	600,000	8	12,106,238	3	\$925,000	3	\$1,887,759
Total.....	6	1,240,000	8	12,106,238	3	925,000	3	1,887,759
SOUTH ATLANTIC								
Maryland.....	1	5,000	3	630,500			2	3,735,400
District of Columbia.....	3	103,000					5	2,079,200
Virginia.....	4	305,500			3	\$912,100	10	4,010,779
West Virginia.....	1	175,000	3	315,000			5	2,290,350
North Carolina.....	7	2,326,000	13	3,150,581	5	2,206,100	11	4,049,970
South Carolina.....	19	2,079,555	33	8,936,946	11	2,200,500	5	450,600
Georgia.....	20	2,361,980	22	5,499,897	88	21,093,510	13	29,809,150
Florida.....	3	48,900			43	44,647,261		
Total.....	58	7,405,945	74	18,532,924	150	71,059,471	46	42,375,470
SOUTH CENTRAL								
Kentucky.....	7	1,259,016	3	287,000	5	1,087,800	5	1,385,300
Tennessee.....	7	3,111,258	3	2,302,829	5	1,565,760	6	1,617,700
Alabama.....	7	1,025,000	1	20,757			2	3,084,887
Mississippi.....					4	1,489,850	5	105,000
Arkansas.....	9	2,204,191	4	3,319,700	14	4,390,918	11	4,049,970
Oklahoma.....	41	8,086,455	14	6,597,084	14	9,391,675	12	1,689,330
Louisiana.....	2	53,269	1	100,000				
Texas.....	21	7,189,433	35	10,496,975	21	4,678,930	23	7,470,550
Total.....	94	22,928,622	61	23,124,345	63	22,604,933	64	19,402,737
CENTRAL EAST								
Ohio.....	6	222,426			2	1,900,000	9	2,177,600
Indiana.....	1	423,200	6	1,310,072	4	1,100,000	17	11,580,920
Illinois.....	4	975,000	1	180,000	5	3,650,600	11	4,365,700
Michigan.....	4	120,178	1	191,000	3	395,000	1	250,000
Wisconsin.....	2	575,934	3	646,270	5	1,525,800	5	1,310,660
Total.....	17	2,316,738	11	2,327,342	19	8,571,400	43	19,684,880
CENTRAL WEST								
Minnesota.....	42	21,974,235	39	16,396,572	66	21,044,650	46	9,895,260
Iowa.....	54	23,456,034	63	22,979,870	84	35,405,190	34	14,164,010
Missouri.....	29	7,994,780	22	2,933,487	36	9,988,210	27	5,125,300
North Dakota.....	50	10,015,361	31	5,150,000	32	6,485,756	24	4,758,660
South Dakota.....	99	40,869,257	62	18,705,384	86	23,059,244	21	4,542,350
Nebraska.....	14	4,749,548	8	1,410,000	5	950,000	14	3,640,700
Kansas.....	16	3,596,412	14	2,426,974	33	5,413,725	30	5,035,290
Total.....	304	112,655,627	239	70,022,287	342	102,348,775	196	47,161,510

Number of bank suspensions and liabilities involved in the United States from 1920 to 1927, inclusive—Continued.

States	Number, 1924	Liabilities, 1924	Number, 1925	Liabilities, 1925	Number, 1926	Liabilities, 1926	Number, 1927	Liabilities, 1927
WESTERN								
Montana.....	45	\$18,397,371	16	\$3,677,000	6	\$535,000	2	\$284,600
Idaho.....	6	3,713,843	8	4,885,000	3	790,000	6	2,375,300
Wyoming.....	28	13,047,334	4	600,000	1	15,000	1	235,000
Colorado.....	10	716,482	15	17,504,000	8	1,282,420	5	555,200
New Mexico.....	24	13,510,586	10	4,325,728	1	150,000	1	125,000
Arizona.....	2	1,131,822	3	3,371,897	1	175,000	—	—
Utah.....	1	321,061	2	295,000	1	321,000	2	375,000
Total.....	116	50,838,499	58	34,658,631	21	3,238,420	17	3,850,100
PACIFIC								
Washington.....	12	2,253,775	6	1,992,045	1	200,000	8	4,288,600
Oregon.....	3	457,000	3	455,000	6	1,492,000	12	3,242,490
California.....	2	130,000	1	100,000	3	1,635,000	5	1,455,300
Total.....	17	2,840,775	10	2,527,045	10	3,327,000	25	8,986,390
Total, United States.....	613	202,926,206	464	164,698,516	608	212,074,999	394	143,348,846

This is a staggering and an appalling record of bankruptcies and ruin in the banking world. The record by years as to the number of failures and liabilities is as follows:

Year	Number of failures	Liabilities
1921.....	383	\$167,849,555
1922.....	276	77,735,551
1923.....	578	203,738,038
1924.....	613	202,926,208
1925.....	464	164,698,516
1926.....	608	212,074,999
1927.....	394	143,348,868

A total liability during these seven years of \$1,164,840,621, with 3,296 the total number of bank failures. I challenge world history for a comparison with this picture of wreck and ruin and disaster in the finances of this or any other nation. I fail to find it, for there is no other period of time which has brought so much grief and sorrow to the banking world.

Let us take this record in another way. Let us group the States in the several sections of the country and see what the result is for the same seven years.

Group of States	Number of failures	Liabilities
New England.....	11	\$22,938,031
Middle Atlantic.....	40	54,105,351
South Atlantic.....	477	183,645,581
South Central.....	489	161,050,920
Central Eastern.....	143	49,702,861
Central Western.....	1,576	467,661,503
Western.....	474	194,337,661
Pacific.....	86	31,399,703

Let us make another comparison. The seven years of 1914 to 1921 had 456 failures of all kinds, with liabilities of \$162,000,000 in round numbers, and I shall give only the even figures. Four of the seven years from 1920 to 1928 each had a larger number of bank failures than the period of 1914 to 1921. The year 1921 fell short only 73 failures of equaling this whole period; 1922 had more than half as many failures; 1927 lacked only 62 of having as many failures as the first seven years' period given. In liabilities, the years 1921, 1923, 1924, 1925, and 1926 each had greater liabilities in its bank failures than the whole seven years under the Wilson administration; 1922 had nearly half as much liabilities; and 1927 lacked only \$28,000,000 of having as great liabilities as the seven-year period under Democratic administration; 1926 had nearly one and a half times as many failures and nearly one and one-half times as great liabilities as the whole seven years of the first seven-year period. We hit the trail of normalcy March 4, 1921, and it has not been an even record in the last seven years. Consistently throughout this period the number of bank failures and bank liabilities have grown in numbers and in amounts until it was climaxed in 1926 with 608 failures and \$212,074,999 in liabilities.

The burden of these unprecedented failures has fallen heaviest upon the people, or, rather, the class of people, least able to bear it; 94 per cent of the bank failures during these seven years were in agricultural States or parts of States supported by agriculture. If you will examine the map that constitutes a part of this record you will find that the agricultural and

stock-raising States are those which have borne the burden of this misfortune. If you will go further into an investigation and go to the States that are part industrial and part agricultural, you will find that the bank failures have largely been—and I may say almost wholly—in that part of the State where agriculture exists and is the support of the local bank. You may take the great agricultural States grouped as the Central West, and take it year by year, and the number of bank failures and liabilities total enormous losses. In 1921, from this group of States there were 119 failures with more than \$29,000,000 liabilities. In 1923 there were 291 failures with liabilities of more than \$82,000,000, more than half the amount of the whole Union during the seven years 1914 to 1921. And in 1924 these same States had 304 failures with \$112,000,000 losses, approximately three-fourths the record of the seven years just referred to. And in 1927 the failures were nearly half as great, with 239 failures and \$70,000,000 liabilities. In 1926 the climax was reached, with 342 failures and \$102,348,775 liabilities. These States alone in single years sustained losses from one-half to approaching three-fourths the loss of all the States of the Union from 1914 to 1921.

Let us now make a little further analysis or comparison. I have gone to the agricultural parts of the country for this comparison. I have taken one State from the West—Montana; one from the central West—Iowa; one from the south central group—Oklahoma; and another from the south Atlantic division of the country—Georgia. Georgia is the second largest cotton-producing State in the Union. From 1920 to 1928 these seven years in this great agricultural State show 201 bank failures, with liabilities of \$73,019,484. Forty per cent in numbers and about 45 per cent in liabilities in one State of the 48 States of the Union compared with the seven years of 1914 to 1921. Oklahoma is a great agricultural State in the south central group. It had in these last seven years 154 failures with \$49,487,659 in liabilities, one-third as many failures as the whole Union in the first seven-year period of time. Iowa in the central west group, the greatest corn State in the Union, had 289 bank failures with \$112,377,042 of liabilities. This great agricultural State had nearly 60 per cent as many failures with about 60 per cent the liabilities of the whole Union in the period of the preceding seven years before 1921. Montana is a great livestock and agricultural State. It is taken from the Western group. One hundred and eighty-eight failures, or in round numbers 40 per cent as many failures with liabilities of \$70,727,075, a little more than 40 per cent of the liabilities measured in dollars of all the States of the Union in the seven years, inclusive, of 1914 to 1920. Kansas, the greatest wheat State, had 150 bank failures with \$34,442,609 liabilities.

These five agricultural States in seven years had 984 bank failures, with \$340,053,869 liabilities, or more than double the number of failures and liabilities of the 48 States from 1913 to 1921.

In the face of this record in the last period of time, can it be said that there has been bank prosperity, and especially in the great agricultural sections of the land, which in point of territory measure from 65 per cent to 70 per cent of the area of this country? These are the facts, the undisputed record from Dun's Review, the greatest commercial agency in the United States. It would seem that any man crying a general prosperity would be ashamed to look a banker from the agricultural sections of the country in the face, and mention prosperity.

But to carry out Abe Martin's homely saying—the banker is not going to believe in the prosperity he reads about.

He has measured his own prosperity by putting his hand into the till of his own country bank in the agricultural section, and he finds that the money is not there, and that the much heralded prosperity for these seven years has not visited nor associated with the great agricultural people of the land.

BANKRUPTCY AND FAILURES

Let us go to the general business conditions of the country, as reflected by failures and the bankruptcy courts. I have before me Circular No. 15 by the United States Department of Agriculture, issued October, 1927, showing that 7,872 farmers bankrupted in 1925 and 7,769 in 1926.

I also have before me a statement from the Department of Commerce of date February 8, giving these tables:

First table

Business failures	Calendar years	
	1926	1927
Commercial failures.....	21,773	23,156
Bank failures.....	608	393

Second table

Forced sales of farms, years ended Mar. 15 (approximate figure)	1926	1927
Delinquent taxes.....	24,000	29,000
Foreclosure of mortgages, bankruptcy, etc.....	99,000	102,000
Total.....	123,000	131,000

Third table

Bankruptcies as reported by the Department of Justice, years ended June 30	1926	1927
New cases instituted.....	46,374	48,758
Number of cases concluded.....	47,777	48,269

The third table also shows that 7,777 farmer bankruptcy cases were concluded in 1926 and 6,314 in 1927.

I also have two other tables prepared by the Standard Statistics (Inc.). The first one is based on Dun's Review of January 14, 1928. It shows the number of business failures in the United States for the years of 1926 and 1927, with the liabilities for each, and the failures are classified.

The other table shows the bankruptcies, both voluntary and involuntary, in the United States, with the amounts of liabilities for the years 1926 and 1927, and the classification of the bankruptcies.

I ask permission to insert these tables as a part of my remarks. I am sure they will be instructive:

For the United States

[Source: Dun's Review, January 14, 1928]

	Number of failures		Liabilities	
	Year ending Dec. 30, 1926	Year ending Dec. 30, 1927	1926	1927
Business failures classified as below.....	21,773	23,146	\$409,232,278	\$520,104,268
(1) Manufacturing.....	5,395	5,682	158,042,016	211,504,826
(2) Trading.....	15,268	16,082	201,333,973	228,194,421
(3) Agents, brokers, etc.....	1,110	1,382	49,856,289	80,405,021

[Source: Report of the Attorney General, "Statistics of bankruptcy"]

Bankruptcies in the United States	Fiscal year ended June 30, 1927		
	Voluntary	Involuntary	Total
Class:			
Farmer.....	7,756	21	7,777
Wage earner.....	16,770	82	16,852
Merchant.....	8,232	3,675	11,907
Manufacturer.....	677	762	1,439
Professional.....	980	48	1,028
Other classes.....	6,093	1,611	8,304
Total.....	41,108	6,199	47,307
Total liabilities.....	\$505,894,188	\$300,418,805	\$806,312,992

For the United States—Continued

Bankruptcies in the United States	Fiscal year ended June 30, 1927		
	Voluntary	Involuntary	Total
Class:			
Farmer.....	6,297	17	6,314
Wage earner.....	18,494	74	18,568
Merchant.....	8,441	3,700	12,141
Manufacturer.....	721	678	1,399
Professional.....	1,167	54	1,221
Other classes.....	7,175	1,451	8,626
Total.....	42,295	5,974	48,269
Total liabilities.....	\$528,585,233	\$356,972,102	\$885,557,335

During the calendar year 1926 there were 21,773 commercial failures and 608 bank failures. In 1927 there were 23,146 commercial failures and 393 bank failures. The 48,758 bankruptcies instituted in 1927 carried with them liabilities of \$885,557,000, or \$80,000,000 more than the liabilities of 1926 bankruptcies. The bankruptcies of 1927 in liabilities were approximately \$505,000,000 more than all classes of failures and bankruptcies in 1917.

The 23,146 commercial failures in 1927 represented \$520,104,000 in liabilities; 1,373 more people failed in 1927 than in 1926, and represented \$111,000,000 more in liabilities as compared with 1926, an already bad year of Coolidge prosperity. This is the record, whether it be business fortune or misfortune, happiness or unhappiness, prosperity or failure.

Turn to the other side of the account, and while the hundreds of thousands have been losing their homes and going through the bankrupt mill, while tax sales and mortgage sales are being made, another class in America—the few of the millions, segregated in the great industrial and banking and insurance centers have been growing in wealth all the while. Frank H. Sisson, vice president of the Guaranty Trust Co. of New York, as to the number of millionaire estates his company has administered in the last five years, gives—

1923.....	48
1924.....	69
1925.....	107
1926.....	151
1927.....	169

One list is the antithesis of the other. As we have gone down the line from 1920, more people in numbers, with greater liabilities measured in money, have met their business fate in disaster and bankruptcy, while on the other hand, as represented in the administration of estates, the small class, representing the favored interests of the land—known as the millionaire colony—has had a large percentage increase, but insignificantly small in numbers compared to their less fortunate brothers in adversity and misfortune.

CONCLUSION

In conclusion, the President says, "We are at peace." Yes, abroad, except in Nicaragua, where we are teaching the natives the freedom of the ballot with bombs from the bombing planes. Where we are teaching the Nicaraguan the governmental lesson in the gunpowder doctrine that "Might makes right." [Applause.] Where we are shooting religion and morality into them with the machine gun. [Applause.]

Again the President says:

Wages are at the highest rate; employment is plentiful.

I wonder whether the President would look a coal miner in the face, and himself keep a straight face, and make this statement. I wonder if he would go among the factory workers in New England, especially in Massachusetts, and begin an address to the textile workers:

Fellow citizens of my home State, I congratulate you on your employment, the scale of wages you receive, and the great prosperity you are enjoying from your labors.

[Applause.]

Again he says:

Some parts of agriculture and industry have lagged.

Will the President, or the White House spokesman, point out that part of the great agricultural field where agriculture has not lagged? Where bankruptcy has not stood like a black ghost among the great producers of the real wealth of our country?

I quote again:

Some localities have suffered from storm and flood.

Yes, Mr. President, suffered as no people have heretofore suffered; and what has your administration offered to the flood sufferers in rehabilitation, except to try to put an additional

unbearable burden upon those already weighted down and hopelessly in debt?

Again he says:

But such losses have been absorbed without serious detriment to our great economic structure.

This was not the absorption of our bankruptcies and failures in 1927 aggregating \$885,000,000.

The climax of the last sentence of the first paragraph of the President's message to this Congress is:

If the people maintain that confidence which they are entitled to have in themselves, in each other, and in America, a comfortable prosperity will continue.

The people—the American people—do have an abiding confidence in themselves, in each other, and in America, because they are the king makers; the people are the Nation; they make and unmake Presidents and administrations. They have an abiding confidence in themselves, but not that comfortable prosperity will continue, because present-day prosperity is a special prosperity, blessing the few at the expense of the many. If this one-sided prosperity is to continue, the few are to become richer and the many still poorer. The country at large has had neither a comfortable nor a general prosperity.

There is more money in the United States to-day than ever before. It is not equitably distributed. Ninety per cent of it is owned by the smallest number of people and corporations than at any time in our history.

As a last word:

I have told you in mournful numbers
Republican prosperity is an empty dream,
For business is dead—it slumbers,
And Coolidge economy is not what it seems.

[Applause.]

Mr. SIMMONS. Mr. Chairman, I yield myself one-half minute just to call the attention of the committee to the article on page 18 of this morning's Washington Post, in which a survey of the police department shows there are 6,518 unemployed in the city of Washington as against the estimate of the gentleman from Tennessee [Mr. ESICK] of 35,000 to 65,000, picked out of the air somewhere.

Mr. Chairman, I yield 20 minutes to the gentleman from Michigan [Mr. CRAMTON].

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent to extend my remarks in the RECORD by inserting certain quotations from the trades and from officials.

The CHAIRMAN. The gentleman from Michigan asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

THE WET ASSAULT ON INDUSTRIAL ALCOHOL

Mr. CRAMTON. Mr. Chairman, there was a time when the trade using industrial alcohol in constantly increasing quantities looked upon prohibitionists as the natural foes of their industry. I encountered that feeling when a few years ago I undertook to secure the passage of legislation for the reorganization of the Prohibition Unit. That effort finally eventuated in the passage of the bill in the last Congress reorganizing the Prohibition Unit and customs service, a change that is to-day—although it was opposed in some quarters under a mistaken idea that it might present difficulties for industries—a change that is to-day most heartily approved by every representative of industry that then opposed it, and so far as those are concerned in the enforcement phase of the liquor problem it is likewise indorsed.

But at that time, speaking before the Committee on the Judiciary, I said:

Legitimate business does not need to fear effective enforcement of the eighteenth amendment. As Charles Edward Russell has recently pointed out, it was not fanaticism and sentimentalism that put over the eighteenth amendment, but sound, economic reasons. Prohibition aims to promote the interests of all legitimate industry, not to destroy. The idea of enforcement of the law must be made the first consideration and all lines of legitimate industry will benefit therefrom.

But the other day we had an example, a demonstration, of the real foes of legitimate industry that uses industrial alcohol, and from now on I think it will be clear to those who have their money invested in these great industries, those who have a responsibility for the proper conduct of those great industries, that their peril is not among the believers in prohibition—their peril is among those who are so fanatically opposed to the enforcement of the eighteenth amendment that they are willing to embarrass and imperil any industry in order to hamper the enforcement of the law. That blindfold leadership, we might

call it, that characterized the great wet assault the other day on the enforcement of the eighteenth amendment—this blindfold leadership that succeeded for the first time in several years in getting a roll call on the question of prohibition—succeeded in getting that roll call after they had personally invited and urged each and every one of their adherents to be here and vote with them.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. I prefer not to yield just now.

Mr. BLANTON. The gentleman ought not to talk about them when they are not here.

Mr. CRAMTON. I see a few of them here.

Mr. BLANTON. The gentleman from New York [Mr. GRIFIN] is here, but the others are gone.

Mr. CRAMTON. Well, I may be under a delusion, but they may read my remarks.

Mr. SPROUL of Illinois. Will the gentleman yield?

Mr. CRAMTON. I will.

Mr. SPROUL of Illinois. Was it not a fact that many dry Members of this House helped to get that roll call in order to put the wets on record?

Mr. CRAMTON. I assume that is the fact. I was not here at just that moment, or I would have been glad to help if I had been here, because I have welcomed for the last several years, as a dry, any opportunity for a real showdown as to the sentiment in Congress. My observation has been that Congress, since the eighteenth amendment became a law and the Volstead Act went on the book—each succeeding Congress is a little dryer in sentiment than the one before, and a little more devoted to the law and its enforcement.

Mr. BLANTON. Will the gentleman yield?

Mr. CRAMTON. As I say, I would prefer not to yield now.

Mr. BLANTON. I agree with the gentleman that we are now dryer than the Congress before, but the gentleman ought not to talk about his "wet" colleagues when they helped him in the last Congress in passing the Hawley bill, which could not have passed at all in a dry Congress.

THE WET LINE-UP AGAINST INDUSTRIAL ALCOHOL

Mr. CRAMTON. Mr. Chairman, I will ask not to be interrupted until I have finished my remarks. I am not making a prohibition speech; I am not making a controversial speech; and the gentleman from Texas is apt to lead me into a controversy. I wish to finish the sentence that I started: This blindfold leadership selected the point of attack that they thought would be most effective—"the poisoning of liquor, the murder of drinkers"—and they succeeded in getting a roll call that showed that they had a total of 61 out of 435 Members in the House. The vote was 283 against 61 on the roll call. Here are the 61 who supported the Linthicum amendment, the text of which I will give a little later:

Yeas, 61: Auf der Heide, Beck of Wisconsin, Berger, Black of New York, Bloom, Boylan, Britten, Carew, Carley, Clancy, Cochran of Missouri, Cohen, Combs, Connolly of Pennsylvania, Corning, Cullen, Deal, De Rouen, Dickstein, Douglass of Massachusetts, Doyle, Drewry, Englebright, Fitzpatrick, Gallivan, Gambrell, Glynn, Griffin, Hancock, Irwin, Kading, Kahn, Lehlbach, Lindsay, Linthicum, McLeod, Martin of Louisiana, Mead, Merritt, Mooney, Moore of New Jersey, Niedringhaus, O'Connell, O'Connor of Louisiana, Oliver of New York, Palmisano, Peavey, Porter, Prall, Ransley, Sabath, Schafer, Schneider, Sirovich, Somers of New York, Spearing, Tatgenhorst, Tinkham, Ware, Welch of California, and Weller.

To realize how slim a showing was made by the wet bloc on the issue which they chose in their desire to show what strength they could muster on a roll call, it is to be noted that the 61 is less than one-seventh of the total House membership and less than one-sixth of those voting. The vote was almost 5 to 1 against the program of the organized wet bloc.

VOTE AGAINST INDUSTRIAL ALCOHOL FROM INDUSTRIAL CENTERS

How greatly the vote for a program that would have hampered, if not destroyed, industries came from the greatest industrial centers is shown by the following analysis of the vote, listing only those from cities of 300,000 population or more in the 1920 census:

New York City and Brooklyn, adjacent New York State, and adjacent New Jersey: Auf der Heide, Black, Bloom, Boylan, Carew, Carley, Cohen, Cullen, Dickstein, Fitzpatrick, Griffin, Lehlbach, Lindsay, Moore, O'Connell, Oliver, Prall, Sirovich, Somers, Weller—20.

Chicago: Britten, Doyle, Sabath—3.

Boston: Douglass, Gallivan, Tinkham—3.

Detroit: Clancy, McLeod—2.

Philadelphia: Connolly, Ransley—2.

Milwaukee: Berger, Schafer—2.

New Orleans: O'Connor, Spearing—2.

Baltimore: Linthicum, Palmisano—2.

St. Louis: Cochran, Niedringhaus—2.
 San Francisco: Kahn, Welch—2.
 Pittsburgh: Porter—1.
 Kansas City: Combs—1.
 Cincinnati: Tatgenhorst—1.
 Buffalo: Mead—1.
 Cleveland: Mooney—1.

Industry, take notice, such is the fanaticism of the wet bloc in their opposition to enforcement of prohibition, that of the 61 votes for their anti-industrial alcohol program, that would, if enacted into law, endanger many established businesses of magnitude in the great cities, such is the fanaticism of the radical wets that 45 of the 61 votes for that program came from our greatest industrial centers, cities over 300,000 population!

The other votes were distributed as follows:

Beck, Wisconsin; Corning, New York; Deal, Virginia; De Rouen, Louisiana; Drewry, Virginia; Englebright, California; Gambrell, Maryland; Glynn, Connecticut; Hancock, New York; Irwin, Illinois; Kading, Wisconsin; Martin, Louisiana; Merritt, Connecticut; Peavey, Wisconsin; Schneider, Wisconsin; and Ware, Kentucky—16.

In all, including these 16, only 15 States had any representation in that anti-industrial alcohol vote of 61. In no case was there the majority of the vote of the representation of a State cast for the Linthicum amendment. The vote may well be taken as reassuring to the industry, as well as demonstrating that the votes that menace them are right on industry's own doorstep.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. LaGUARDIA. That was not really a test on the dry sentiment of the House, was it?

Mr. CRAMTON. I am afraid the gentleman from New York is going to get me into a controversial argument.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. No; I can not yield further, because I know that I would get into a controversy with my friend from Wisconsin. I can not even yield to my friend from Maryland, formerly a Member of this House, Mr. Hill, who happens to be present in the Chamber to-day, who, with all of his faults, never led the wets into any such quagmire as that roll call. Seriously, I want to speak about the interest of industry in what happened the other day, and what may be attempted again; and I have noted that most of the votes that were cast the other day in a way that would have crippled industry came from the cities where those industries are largely located.

Mr. GRIFFIN rose.

Mr. CRAMTON. I shall finish what I have in mind, and then yield, and I hope that the others who voted as did the gentleman from New York [Mr. GRIFFIN] may read what I have to say as to the effect on industry of their votes. Nothing would have embarrassed the gentleman from Maryland [Mr. LINTHICUM] and the gentleman from New York [Mr. GRIFFIN], or any of the others who voted for the industrial alcohol amendment more than to have had that written into the law. I yield to the gentleman from New York.

INTRODUCTION OF POISON INTO INDUSTRIAL ALCOHOL

Mr. GRIFFIN. I do not want to indulge in anything controversial, but I do want to ask the gentleman in all fairness whether he considers that the introduction of poison into industrial alcohol is necessary for the carrying on of these industries?

Mr. CRAMTON. That is exactly the text of my speech, and that will emphasize the noncontroversial character of these remarks of mine, that I permit the gentleman from New York [Mr. GRIFFIN] to supply the text from which I am to speak.

Mr. SCHAFER. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. I yield this one time, and then not any more.

Mr. SCHAFER. The gentleman from Wisconsin voted to recommit to stop this poisoning.

Mr. CRAMTON. I am glad the gentleman from Wisconsin is here.

Mr. SCHAFER. Does the gentleman from Michigan think that industry has more right than human life?

Mr. CRAMTON. That is a question that I do not see is now before the House at all.

Mr. SCHAFER. It certainly is before the House.

Mr. LaGUARDIA. Mr. Chairman, will the gentleman yield?

Mr. CRAMTON. Yes.

Mr. LaGUARDIA. As a matter of fact, to clarify the situation, the amendment that was before the House in the motion to recommit would merely have prevented supervision of denatured alcohol. There was nothing in that amendment that would have stopped the denaturing of alcohol, but it merely

prevented supervision, and would have flooded the market with more poison instead of less poison.

Mr. CRAMTON. Mr. Chairman, I shall insert at this time in my remarks the amendment offered by the gentleman from Maryland [Mr. LINTHICUM].

Mr. LINTHICUM moves to recommit the bill to the Committee on Appropriations with instructions to forthwith report the same back to the House with the following amendment: Add to the end of the bill the following as a new section:

"That no money herein appropriated for the enforcement of the national prohibition act shall be used in the preparation or issue of any permit for the removal or use of any industrial alcohol known to be denatured by any deadly poisonous drug."

The effect of the adoption of that and its enactment into law would have been to indicate a policy on the part of Congress that would have been far-reaching.

DOCTOR DORAN AND LEGITIMATE INDUSTRY

The selection of suitable formulas for denatured alcohol is of paramount interest to trades whose industrial life depends on a treatment of this question that is scientifically correct. For this reason all of these interests hailed with joy the announcement last year of the appointment of Dr. James M. Doran as Commissioner of Prohibition. For many years they had worked in cooperation with the doctor when he was head of the industrial alcohol and chemical division of the Prohibition Unit. In the course of this collaboration they had learned to respect his integrity, which did not once permit him to deviate from his duties as an enforcement officer; they also were compelled to admire his thorough chemical knowledge and his understanding of the problems of the manufacturer who must have an adequate supply of alcohol for his factory processes. That Doctor Doran fully recognizes his responsibility toward science and industry is further evidenced by the fact that shortly after assuming the duties of his high office he appointed an industrial advisory council, to which are submitted all pertinent questions, not the least of which is the selection of suitable denaturants. A study of the membership of the council is illuminating, in that it reveals the wide range of scientific and industrial talent that is at the disposal of the commissioner. The names and official connections follow:

Dr. Martin H. Ittner, 105 Hudson Street, Jersey City, N. J., chairman of the industrial alcohol committee of the American Chemical Society and American Institute of Chemical Engineers, chief chemist for Colgate & Co., manufacturers of soaps and toilet articles.

Dr. Harrison E. Howe, Mills Building, Washington, D. C., editor Journal of Industrial and Engineering Chemistry, the official organ of the American Chemical Society.

Mr. H. S. Chatfield, 7 Cedar Street, New York City, chairman industrial alcohol committee, National Paint, Oil, and Varnish Association, vice president Kasebier-Chatfield Shellac Co.

Mr. A. Homer Smith, representing the American Drug Manufacturers' Association, vice president and general manager of Sharp & Dohme, pharmaceutical manufacturers, Baltimore, Md.

Mr. Frank A. Blair, of Household Remedies Co., 80 Varick Street, New York City, president the Proprietary Association.

Mr. Samuel C. Henry, secretary of the National Association of Retail Druggists, 168 North Michigan Boulevard, Chicago, Ill.

Mr. Frank J. Noonan, of Noonan & Sons, Boston, Mass., representing Barbers' Supply Dealers' Association of America.

Mr. Russell R. Brown, 110 East Forty-second Street, New York City, president of the United States Industrial Alcohol Co. and president of the Industrial Alcohol Manufacturers' Association.

Mr. George F. Dieterle, president of the Federal Products Co., Cincinnati, Ohio.

Mr. C. Mahlon Kline, of Smith, Kline & French, manufacturing chemists, Philadelphia, Pa., representing the National Wholesale Druggists' Association.

Mr. Fred S. Rogers, Middletown, N. Y., president Flavoring Extract Manufacturers' Association.

Dr. Charles L. Reese, chemical director E. I. du Pont de Nemours & Co., Wilmington, Del., representing Manufacturing Chemists' Association.

We have represented here the American Chemical Society, with its 15,000 members; the Journal of Industrial and Engineering Chemistry; the National Paint, Oil, and Varnish Association; the Proprietary Association; the American Drug Manufacturers' Association; the National Association of Retail Druggists; the Barbers' Supply Dealers' Association of America; the National Wholesale Druggists' Association; the Flavoring Extract Manufacturers' Association; the Manufacturing Chemists' Association; the Industrial Alcohol Manufacturers' Association. Incidentally, also, the following internationally known business concerns: Colgate & Co., the Kasebier-Chatfield Shellac Co., Sharp & Dohme, Household Remedies Co., Noonan & Sons,

United States Industrial Alcohol Co., Federal Products Co., Smith, Kline & French, E. I. du Pont de Nemours & Co.

All of these men are familiar with and approve the denaturants used at present. Is it reasonable to accuse them of a fanatical devotion to prohibition that would cause them to take pleasure in "poisoning" their fellow man?

WOOD ALCOHOL A DENATURANT SINCE 1856

Ethyl alcohol has been denatured with wood alcohol, or as the chemist prefers to call it, methanol, since 1856 in England, since 1906 in this country. Mr. LINTHICUM is wrong when he states that this "custom has grown up in the Prohibition Unit." Every denaturant that is prescribed to-day by the Bureau of Prohibition has been carefully selected as the one chemical known to science that will fulfill the specific purpose for which it is prescribed. Mr. LINTHICUM states:

Some other denaturant can be used which does not poison the human system, causing death or ill health.

What other denaturant? Why is the gentleman not specific so that the advisory council listed above can have the benefit of his knowledge of chemistry?

What I am trying to do now is to emphasize not the prohibition aspect but the industrial aspect of the Linthicum amendment.

Mr. LINTHICUM. Mr. Chairman, will the gentleman yield? Mr. CRAMTON. Yes.

Mr. LINTHICUM. I want to ask the same question that I asked the gentleman the other day. Is he in favor of the use of these deadly drugs in denaturing industrial alcohol?

Mr. CRAMTON. And I say to the gentleman from Maryland that if my answer the other day could not give him a correct understanding of my attitude, and my speech to-day does not, then I fear that he will not understand my position any more than he now understands probably the most lamentable exhibition of weakness into which he led his forces the other day.

Mr. LINTHICUM. I think I shall understand by the gentleman's vote how he stands on that question.

WHERE IS THE DENATURANT THAT IS HARMLESS BUT EFFECTIVE?

Mr. CRAMTON. Very well. Fifteen thousand members of the American Chemical Society would be grateful for this information as to the harmless but effective denaturant. May I call his attention to the fact that the manufacturer of varnish, lacquer, solutions can not base his processes on the use of "some" chemical? He must know definitely what chemical and how much.

As it happens, practically every one of the 50 or 60 substances used as denaturants would be injurious to the human system if taken internally in sufficient quantities. What substance can not be abused? Gasoline has caused the death of many a housewife who used it as a cleaning material; but we do not forbid its use as a motor fuel. Illuminating gas has asphyxiated many a careless person; we do not exclude it from the home. Carbolic acid has been taken from the medicine closet in the dark with fatal results, but we do not prevent its sale. The most we can do with such substances is to label and warn; the careless and the criminal have always paid the penalty for their ill-advised or illegal acts.

During the debate the suggestion was made that manufacturers could use pure ethyl alcohol without the admixture of denaturants. The manufacturers themselves would be the first to protest any such arrangement for two reasons. Can one imagine the policing problem that would be created if pure ethyl alcohol capable of being diverted to beverage purposes were to be used freely around a factory? It would be necessary to assign a guard to every mixing tank on the premises. Even then it would be impossible to prevent theft of this seductive material. The expense would be prohibitive, while the morale of the working force would be shattered. Moreover, most of the denaturants are themselves necessary ingredients in their processes. For example, methanol.

There are two formulas of completely denatured alcohol, one of which contains 10 parts of methanol and the other 4. For purposes of shellac cutting, the formula containing 10 parts is preferred for the reason that the process requires the peculiar qualities of methanol. Pure ethyl alcohol would not serve the purpose. The same is true in numerous other cases.

NOT SO MANY "POISON" CASES AFTER ALL

As a matter of fact, the evil results of the "poison" denaturants have been enormously exaggerated. The statement was made in the debate that in New York City in 1926, 755 deaths were due to "alcoholic poison." The official figures are 759 due to acute and chronic alcoholism—quite different from "poisoning"—10 to wood alcohol, and 4 to alcohol poisoning. The 1927

figures are 770 deaths due to alcoholism with 14 wood-alcohol deaths in the first 11 months—the figures for the December wood-alcohol deaths are not available at the moment. Doctor Harris, health commissioner of New York City, stated January 4, 1928:

It is true that 770 is the highest death rate in the last 10 years, but it should be made plain that the deaths this year were not due to poisoned liquor but to the abuse of the use of liquor. In other words, the deaths reported were due to long-continued or chronic drinking.

Dr. Haven Emerson, Columbia University Medical School, sometime New York City health commissioner, expressed himself as follows before the American Public Health Association in Cincinnati last fall:

It has been suggested that the deaths from alcohol have been largely due, some people say even wholly due, to extraneous poisons included in the alcohol. If I am not mistaken, it was given to us by the authority of the Surgeon General's Office, or, if not by others equally qualified, that in the main, since prohibition, deaths and sickness from alcoholic drinks were due to the ethyl alcohol therein contained, for which the drinks were drunk, and not due to those occasional slight, moderate, or other additional poisons added to alcohol to make them undrinkable or coming in alcohol which has not been properly prepared to be served for beverage purposes.

Chemicals, a trade journal, investigated this situation very carefully last year; a compilation of the results is given. The information is comprehensive and authoritative. The investigator, with his technical training, calls attention to the difference between deaths from alcoholism, which were common long before prohibition, and deaths from "poisoning," which were likewise not unknown in this country before prohibition, and which are to-day reported even from Canada, a license country. No intelligent discussion of the question is conceivable without this elementary distinction.

[Reprinted from Chemicals, New York, May 9, 1927]

"DEATHS FROM ALCOHOLISM" IN REPORTS OF MEDICAL EXAMINERS DO NOT NECESSARILY MEAN DEATHS FROM METHANOL—A NATION-WIDE SURVEY SHOWS METHANOL TO BE MINOR FACTOR IN BEVERAGE DEATHS

Beginning on page 17 of this issue of Chemicals will be found some "inside stuff" in regard to denatured alcohol, and particularly in regard to deaths attributed to this official Federal denaturant. Industrial chemists and buyers for the highly important industries using denatured alcohol in the production of lacquers, varnishes, explosives, etc., have held for months that reports of diversion of industrial alcohol into bootleggers' channels have been exaggerated, and that the many attempts on the part of alleged "statesmen" to shut off supplies of denatured alcohol from legitimate users have been little more or less than political "eyewash," since it has yet to be proved that the deaths from so-called methanol-denatured alcohol have reached any such total as has been claimed in the public press.

No less an authority than Dr. C. W. Muehlberger, State toxicologist of Wisconsin—he is connected with the University of Wisconsin at Madison—states in this connection: "It is my opinion that the addition of 5 parts wood to 100 parts of grain alcohol would not increase the acute toxicity for man above that which would be shown by pure grain alcohol in corresponding amounts. * * * In other words, I do not believe the addition of this amount of methyl alcohol would be a factor in causing death in man within a period of three days following the taking of large quantities of such alcohol. Such deaths, in my opinion, would be due to the grain alcohol. This opinion is based on the fact that it takes a larger dose of wood alcohol to kill than grain, according to the literature."

Chemicals has sought to get to the bedrock of fact, and herewith devotes approximately four pages to a presentation of the data relating to deaths from alcoholism, and, incidentally, from methanol-denatured alcohol, as collated by the heads of many State departments of health.

The showing is an amazing one when we remember the figures published in the daily press as to such deaths and the loud outcries from politicians seeking a little publicity by advocating the suspension of denatured-alcohol distribution licenses on the ground that the "Federal Government has entered upon a systematic distribution of poison to stop the diversion of alcohol from industrial channels into the hands of the bootleggers."

The facts as we gather them—and they will be found in this issue beginning on page 17—do not show any such outrageous preponderance of deaths from methanol—wood alcohol—as has been claimed by the congressional advocates of, let us say, "alcohol" or some other denaturant, that may "smell to high heaven" but which would have no mortal effects should it be used to prevent the illegal consumption of the alcohol which it "doctors" as a component of Gordon water or some brand of alleged "Scotch" whisky.

There are several facts which must always be borne in mind in the consideration of this newspaper-made problem:

And the first is this: That methanol or wood alcohol has been accepted as a denaturant for ethyl alcohol in the United States for the past 20 years, and for more than 70 years in Europe, and that there were no real protests until its use by the United States became a semi-political issue.

That in New York City—credited, unjustly or not, with being the wettest municipality in the United States—there were 29 deaths from wood alcohol out of 98 deaths from "alcoholism" in the year 1920, according to Doctor Gullfooy, register of the department of health; 6 deaths from methanol or wood alcohol in 1925 out of a total of 682 "alcoholic" deaths; and 10 deaths in 1926 of a total of 759 deaths from "alcoholism." This is not such a damning total as the politicians would strive to make out, particularly when it is remembered that there is no proof as to what number of "wood-alcohol" deaths could be credited to denatured alcohol.

There is still another interesting sidelight—or spotlight, as you will—thrown upon the wood-alcohol mortality statistics by the records of the Census Bureau at Washington for the years 1921 to 1925, inclusive. Here we find the amazing fact that the death rate per 100,000 actually credited to wood alcohol has not exceeded 0.2 per cent during any one of the five years, and that in 1923 the percentage was 0.1 per cent.

Similar data is presented from one of the largest life insurance companies, which seem to show that deaths from acute poisoning from wood or denatured alcohol in 1926 were less than one-third the number in 1920, which seems to bear out the contention of the chemical industry that the present outcry against wood alcohol or methanol as a denaturant would have been more firmly founded in fact had it been made five years ago, when there wasn't a peep from the politicians.

Chemicals holds no brief for the fraternity of bootleggers or the doctors of denatured alcohol to be used as a beverage. It is and has been convinced since the Prohibition Department first began to shut off supplies of denatured alcohol from the legitimate consumer that industry was being hampered illegally and in direct contradistinction to the second section of the Volstead Act, which not only vouchsafed ample supplies of such denatured alcohol to legitimate users but sought to increase such use.

Chemicals has urged for years the distribution of such denatured alcohol under strict supervision, but under the supervision of chemically trained men and not the appointees of a national organization of booze haters, who may be honest but who are generally recognized to be ignorant.

Chemicals has always believed that brains and not bigotry would find an adequate solution of the alcohol problem in the United States—and still thinks so—and has collated the data presented in this issue for the man who thinks and not the man who "believes"—what some one else tells him.

We have gone to the fountain head—the data presented in this issue are authentic. We believe the industry is being hampered without rhyme or reason in securing a chemical of vital importance in the manufacture of scores of necessary commodities, and since the latest and most vicious attack upon the distribution of denatured alcohol has taken the form of attacks upon the Government and Government formula for denaturing ethyl alcohol because of "paternalistic murders" of innocent consumers, we have sought to present the actual facts as to deaths from wood alcohol from the only sources to be recognized—the official reports of the State and city officials having to do with the public health.

The facts are presented as given to us—we think they tell their own story!

MEDDLING WITH INDUSTRIAL WELFARE

Since my friend from Maryland [Mr. LINTHICUM] has come into the Chamber, I may be pardoned for reading the following editorial. I would not have wanted to read it in his absence. It is a little editorial from the Oil, Paint, and Drug Reporter, under date of January 16, 1928, and is headed "Alcohol opponents again display meddling ignorance":

In spite of the fact that the denaturants in industrial alcohol were not blamed by health authorities this year for the fatal results which followed overindulgence in holiday liquor, the fight against adequate denaturing has again been opened in Congress. In spite of the fact that he declared a year ago that he had no intention, in pressing his bill against so-called poison alcohol, of interfering with the rights of industries which need alcohol, Senator EDWARDS is again the leader in the congressional campaign to interfere with these industries. He has reintroduced his bill for potable denaturants.

Mr. LINTHICUM. If there are no deaths from this poisoned alcohol, the deadly poison that I had in my amendment, why did the gentleman object to such an amendment, so that the country might feel that it is free from a thing of that kind?

Mr. CRAMTON. I shall answer that question, and I think it will not be necessary to answer any more.

Mr. LINTHICUM. The gentleman thinks that he can complete it with that.

Mr. CRAMTON. Yes; I think I shall.

The gentleman, with the same lack of ability to see, which characterized his leadership the other day, is assuming that my only desire is to kill folks. That is so far from the truth that I do not need to take time to answer it. I can not yield further. I want to give you what the chemists say who represent the industries who would have been put out of business if the amendment of the gentleman from Maryland had prevailed. I would not expect the gentleman to give much weight to what I might say, because he and I do not agree on these matters, but I think he ought to give heed to what is said by the chemists and leaders of the great industries that use 95,000,000 gallons of industrial alcohol a year and that would be put out of business if the gentleman's amendment had prevailed. I read further from the editorial:

It seems useless to attempt to point out to certain folk the absurdity of an alcohol denaturant which would be nothing but an addition. But, not all Members of Congress, we believe, are in this class of voluntarily blind. Doubtless, enough can see that a denaturant must denature to prevent favorable consideration of the Edwards bill.

There is evidence in this bill that its author is meddling with something of which he has little, if any, knowledge. He purposes to exempt from the provisions which he proposes the use of noxious denaturants in alcohol to be employed in scientific research. He shows that he knows nothing about the purpose of such research when he sets about denying the right to continue the use of really denatured alcohol in industrial processes which might result from the research. Such manifest ignorance does not rid the bill of its possibilities of putting industry to the unnecessary trouble of opposing it, but it does present another weak point in the defense of the measure. The bill, in truth, is so weak that it could not stand were it not for the support which the fanatical opponents of alcohol will give any "man of straw."

IRRELEVANT INTRUSION OF POLITICAL ACTION INTO THE FIELD OF CHEMISTRY

Now, in order to show the feeling of irritated resentment of the chemists at the unwarrantable intrusion of the entirely irrelevant prohibition question in the field of scientific and technical chemistry, I also append extracts of editorials from the Oil, Paint, and Drug Reporter, the oldest and perhaps most widely read chemical trade journal in this country.

For a long time unthinking strictures on adequate and suitable denaturization have been broadcast by individuals totally devoid of knowledge of an intricate chemical problem. Can one blame the chemist for growing impatient? In the editorial they say this:

INDUSTRIAL ALCOHOL IS NOT A FAULT OF THE PROHIBITION LAW

Tax freedom in the industrial use of alcohol was secured 20 years ago after a long and bitter struggle against the fanatics who will not admit that this useful ethyl compound is anything but a beverage. The act of Congress which exempted industrial alcohol from the revenue tax did more than perhaps any other one influence to make possible the progress in chemistry that has been made in the United States since 1906. The leadership which other countries previously had held in organic chemical production and in the application of chemistry to a number of major industries was in no small part due to their earlier realization of the unwisdom of taxing an industrial raw material. Slow to learn, because not industrially minded (no matter what names may be called in international reference to the United States and its people), this country, once the opportunity offered, was quick to take advantage of it. To-day it has the leadership which, handicapped by a tax on industrial alcohol, it never would have gained, not even under the peculiar advantages of the period of the recent World War.

To get tax freedom in the industrial use of alcohol it is considered necessary, in all countries, to require that alcohol, to be exempt, must be combined with other substances which, while not impairing its usefulness, will render it unfit for consumption as a beverage. This requirement is fundamentally a matter of revenue assurance. Its purpose is to prevent the curtailment of governmental income through the operations of crooks. It has no purpose relative to protecting fools from the penalty of their folly. Such a purpose is not the basis of law or regulation. It is in an asinine lack of reason, therefore, that a campaign has recently been launched, attacking the industrial alcohol law as governmental connivance in the slaughter of those who are so foolish as to drink denatured alcohol.

In view of the fact that the fight against industrial alcohol twenty-odd years ago was waged chiefly by the opponents of the beverage use of alcohol, it might be considered peculiar that the present attack has been launched by the opponents of prohibition. That is, it might seem peculiar, were it not for the fact that for unreason, illogical argument, and utter disregard of all rights and beliefs other than their own,

fanatical prohibitionists are equaled by none but fanatical antiprohibitionists. Those who are behind the present movement to scare away the prohibition law, know that they do not tell the truth when they say that the Government (which does not do the denaturing) puts poison in alcohol to kill those who drink it; that the addition of gasoline to a denaturing formula places therein a more deadly poison. But what is such an immaterial thing as fact?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. CRAMTON. I will ask for 15 additional minutes.

Mr. SIMMONS. I yield to the gentleman 15 additional minutes.

The CHAIRMAN. The gentleman from Michigan is recognized for 15 additional minutes.

Mr. CRAMTON. I read further:

Toadstools are eaten by the unwary. Foolhardy motorists try to beat express trains to a crossing. Thin ice and deep water take their toll of the careless. Clotheslines are used by would-be suicides. Methanol was drunk 20 years ago as much as it is to-day. Freeze-proof liquid for hydraulic jacks, embalming fluid, horse liniment, and hundreds of other poisonous compounds were used as beverages long before the idea of prohibition had 10,000 adherents. Industrial alcohol is no more intended for internal human consumption than were any of these "emergency liquors." Its manufacture is no more contributory to suicide than is the manufacture of rope. Industrial alcohol is no more at fault when a crook sells it as a beverage than are axes to be blamed because somebody uses one to commit murder. Law is for persons, not for inanimate things.

Industrial alcohol is a necessity. It must be denatured with such unpotable substances as will not interfere with its employment in the arts. If the prohibition law has prostituted industrial alcohol, the fault lies with the law, and the fight should be waged against the law directly.

The same organ is also authority for the following statement. The wet bloc of 61, chiefly from the industrial centers where these industrial plants are located, should note especially the cluding sentence: "To prohibit its use [that of methanol] in such manner before a suitable substitute is offered would be tantamount, from an industrial standpoint, to repeal of the industrial alcohol law."

METHANOL APPROACHES THE IDEAL AS A DENATURANT FOR ALCOHOL

Methanol, which, as a denaturant for industrial alcohol, has especially been visited with the righteously assumed wrath of those who would involve the Government of the United States in "the greatest poisoning plot in the world's history," approaches the ideal as an agent for destroying the character of alcohol as a beverage. For this reason the act of June 7, 1906, which authorized tax freedom in the industrial use of alcohol, specifically mentions methyl alcohol (now called methanol more effectively to differentiate it from ethyl alcohol) alone as a denaturing agent.

This designation of methanol as an authorized denaturant is supportable from every point of view tenable in the reasonable consideration of the case of industrial alcohol. Physically, methanol is so closely similar to ethyl alcohol that it does not impair the usefulness of the latter as a solvent, a fuel, an antifreeze agent, or a preservative, when mixed therewith. A mixture of methanol and ethyl alcohol is so homogenous as to be inseparable without the most exacting and skillful manipulation in expensive, elaborate, and intricate apparatus. It is a constant-boiling mixture which can not be broken up into its constituents by ordinary fractionating distillation. Methanol is poisonous, of course, but in the proportion in which it is present in even the most heavily methylated completely denatured alcohol, its poisonous properties are not a bar to the legitimate use of the mixture under proper conditions. This mixture contains about 9 per cent of methanol. Canada requires 30 per cent of methanol in its standard completely denatured alcohol. Ten parts of methanol to 100 parts of ethyl alcohol is the customary requirement in European countries.

The hazard of foolhardy, promiscuous drinking was recognized in the authorization of formulas for completely denatured alcohol long before conditions arose to aggravate it. No simple mixture of methanol and ethyl alcohol is authorized for general use in this country. All must contain at least one other ingredient which will facilitate the recognition of the unpotable nature of the liquid. In addition, it is required that the methanol used for denaturing purposes must be an unrefined grade with readily perceptible physical characteristics which differentiate it from ethyl alcohol. Even when disguised with colors, odors, and flavors, the presence of methanol in an alcoholic mixture can be readily detected by a simple chemical test.

Methanol, in the proportions required in denaturing, unquestionably destroys the character of ethyl alcohol as a beverage. It is, therefore, satisfactory in that respect. An idea of its suitability from the industrial standpoint may be got from the fact that specially denatured alcohol, formula No. 1, which is a mixture of 5 parts of methanol and 100 parts of ethyl alcohol, has been authorized for use

for more than 230 industrial purposes, and special denatured alcohol, formula No. 3A, which contains a similar proportion of a more refined methanol, has been authorized in about 50 processes. But few of the other sixty-odd specially denatured formulas, with the exception of those which contain methanol along with other agents, have been authorized for more than half a dozen purposes each; none for as many as 30.

Efforts have been made in several countries to find a better denaturant than methanol for wide application in the industrial use of alcohol. In so far as we are informed, none of these has been successful, and methanol remains the most favored denaturing agent in all countries. Neither industry nor the Government in this country has found any reason to replace methanol as a general denaturant, and no reason has been presented in the recent ado about the horror of exposing drinkers to the risk of poisoning. It is, therefore, not likely that the authorization to use methanol as a denaturant will be revoked. To prohibit its use in such manner, before a suitable substitute is offered, would be tantamount, from an industrial standpoint, to repeal of the industrial alcohol law.

And further:

ADEQUATE DENATURING OF ALCOHOL IS INDUSTRY'S NEED AND RIGHT

It would seem, in the light of recent developments, that industry and economists have had an erroneous conception of the purpose of the law enacted June 7, 1906, permitting the tax-free withdrawal of alcohol. These misguided folk have had faith in their ability to interpret the requirements of the law, that alcohol so withdrawn "shall have been mixed" with material which "destroys its character as a beverage and renders it unfit for liquid medicinal purposes." They have assumed that these words meant just what they say. But, if one may judge from the solemn pronouncements of substantial members of the public press and from the earnest utterances of Members of the Congress of the United States, this assumption has been all wrong, and the purpose of the statutory provisions for the denaturing of alcohol is the convenience of the bootlegger and of those who disbelieve in the Volstead Act in its application to their individual practices. The enactment of the latter statute was in reality, as these present-day commentators see it, an amending of the act of 1906 to make available for beverage purposes alcoholic mixtures of a pleasant, innocuous nature, to replace the compounds previously known and used as whisky, brandy, and the like. One lives to learn in these days of a new and convenient logic.

There is a deal of ingenuity in the arguments now being presented against the use of noxious denaturants in industrial alcohol. The plausibility of suggestions for the use of harmless materials to comply with the act of 1906 and for the elimination of all denaturants, so as to permit industry to get pure alcohol free of tax, is quite convincing, as long as the suggestions are taken at their face value. But when one considers the purpose with which this gratuitous advice is offered and asks whether in all instances it comes from sources which would be wholly displeased to see industry in the United States again placed under the handicap of having to pay a heavy tax on a necessary raw material, doubt at least arises as to whether these suggestions do not in fact as well as potentially purpose the destruction of the industrial use of alcohol.

If there be no such purpose behind these suggestions, they must arise from stupidity of a degree inconceivable in the face of the facility with which accurate and adequate information with respect to the industrial alcohol act and its operation may be acquired. The additional supervision and inspection which would be necessary—and of doubtful efficacy—in connection with the use of potable alcohol in industry is not difficult to foresee. A materially greater inconvenience would arise than now arises in connection with the use of specially denatured alcohol from the insistence of a Government inspector that he be shown that the alcohol is actually going into the product which is in course of manufacture and is not being diverted through a hidden pipe line. It would be necessary to stop a process at demand, and the disastrousness of such action in certain processes (say, varnish making) where the maintenance of definite thermal conditions and the prevention of evaporation are absolute necessities can not be questioned.

It is only to stupidity or to political expediency that one can attribute the nature of the manifestation of interest on the part of certain Members of Congress in the agitation against the adequate denaturing of alcohol for industrial uses. Surely these Federal lawmakers should have been expected to know the provisions of the act of 1906. And yet in a joint resolution introduced into the House of Representatives it is gravely stated that "there is no law of Congress that requires poison to be introduced into denatured alcohol." The act of June 7, 1906, specifically requires that alcohol, to be exempted from the revenue tax, after withdrawal "shall have been mixed * * * with methyl alcohol (methanol) or other denaturing material * * * which destroys its character as a beverage and renders it unfit for liquid medicinal purposes. * * * It is conceivable that, in so far as the majority of tastes is concerned, an obnoxious denaturant would be sufficient to destroy the beverage character of alcohol. But such a denaturant, it is quite clear, would not wholly prevent the drinking of alcohol to which it had been added. And it is difficult to conceive of any denaturant

obnoxious but not noxious which would meet the further requirement of the law (additional, not merely optional) that it render the alcohol "unfit for liquid medicinal purposes." The industrial alcohol law is clear in its requirements, and it has not been amended by the enactment of the Volstead Act.

And I commend to the Members from Baltimore and New York and other industrial centers:

There is no right in the destruction, or in the agitation of destruction, of property legitimately acquired and legitimately held. There is no equity in a movement toward that end which does not offer adequate reimbursement. The existing formulas for denaturing alcohol are the legitimate property of the many industries which have adapted their productive processes to the utilization of these formulas. These industries have, therefore, rights in this property that are as inviolable as are similar rights in whatsoever they may lie. Until there can be offered in replacement substitute formulas of equal satisfactoriness these rights are deserving of all the respect that attaches to any property.

And this other statement from the editorial from this same trade journal, headed, "Will Congress stop at the fork in the prohibition road?" I read:

Critical discussion in Congress of the fitness and efficacy of the Volstead law has come to a point where further progress in the line heretofore followed is impossible. A sign, "This is the law," has been met in the road, and beyond it the way lies in divergent paths. To follow one of these paths Congress must repudiate the pledge given to industry more than 20 years ago and repeated in Title III of the Volstead Act; for this path leads to the abolition of alcohol as an industrial raw material in order that the ends of prohibition may be served. To follow the other path Congress must abandon the purpose of the eighteenth amendment, for that path leads to the destruction of all the effectiveness of the denaturing of alcohol. Whither will Congress go?

Evidently Congress will not join the wet bloc in either of these alternatives that the Linthicum amendment would force upon us; we will neither paralyze industry by outlawing industrial alcohol nor will we abandon enforcement of the eighteenth amendment.

A WORD FROM THE INDUSTRIES

Just a word from another representative of industry—and I have an idea that Capt. James P. McGovern would resent very much being called a fanatical prohibitionist. Captain McGovern, of Washington, is general counsel of the Industrial Alcohol Manufacturers' Association and Washington attorney for the National Paint, Oil, and Varnish Association and other alcohol-using trade bodies. In an address by him he says, in part, to make a short extract.

In his preliminary he emphasizes that—there can be no development of chemical industry without alcohol any more than there could be a steel industry without pig iron, an electric industry without copper, or a fertilizer industry without potash and fixed nitrogen.

He points out that 3,000,000 gallons annually are used in the protection of artificial silk and that alcohol may come to provide the answer to the motor-fuel problem.

He goes on to say:

Under existing law our Government has established many formulas of denatured alcohol to meet the everyday demands of the arts and industries, but there are only two allowed in the production of what is known as completely denatured alcohol—the kind that goes directly to the public. All other formulas are restricted to manufacturers who file bond, secure permits, keep records, and otherwise comply with stringent regulations.

It is of interest to note that Congress in framing the original denatured alcohol act—now over 20 years old—felt it necessary to impose a heavy penalty for the diversion of industrial alcohol to beverage purposes. This penalty is a fine of not more than \$5,000 or imprisonment for not more than five years, or both, and the forfeiture to the Government of all property used in connection with unlawful acts. Prohibition had nothing to do with these stern provisions, which are dictated by the necessities of control of industrially used alcohol, not only in this but in all civilized countries.

We have heard a lot about so-called "poison liquor" and those engaged in that sort of propaganda attempt to charge the Government with using poisons to enforce prohibition. Nothing could be further from the truth. As I have heretofore shown, alcohol is denatured under a law passed nearly 13 years before the adoption of the eighteenth amendment for the sole purpose of furnishing at the lowest possible price an essential raw material alcohol which had proven to be the backbone of the chemical supremacy then enjoyed by foreign competitors. It goes without saying that efficient denaturants are more necessary to-day than ever before. As a general rule, every for-

mula of denatured alcohol can be considered as toxic if used for beverage purposes; but, by the same token, so is ethyl or grain alcohol. All completely denatured alcohol, however, is required by the Federal Government to bear the awe-inspiring "poison" label, so there is no excuse whatever for any innocent person being injured from its misuse. Why, therefore, should there be a hue and cry against the use of any denaturant which has been prescribed by the Government for lawful purposes? There are innumerable articles on the market that serve a useful end, but are detrimental to human life and health when carelessly or criminally handled. Many of us remember the excitement when the baby took hold of the kerosene can. More than one motorist has investigated the status of his gasoline tank with the aid of a lighted match and departed for regions where he no longer worried about the lack of an adequate fuel supply.

Instead of cough medicine the carbolic-acid bottle has been taken out of a dark medicine closet. No one thinks of blaming the inanimate commodity in those cases. Why, then, attack an efficient industrial alcohol product when it is wrongfully used? Any change in formulas of industrial alcohol for the benefit of the lawless drinker would be in direct violation of the spirit of the law under which the Bureau of Prohibition was created and operates. "Sop" to the opponents of prohibition might appeal to the political sagacity of weak-kneed executives, but in the case of the present Commissioner of Prohibition, himself a chemist, we need not have any fear in that regard. His professional standing and the ethics of the American Chemical Society, of which he is a member, constitute sufficient guaranty in that respect.

As a striking illustration of the difficulties under which reputable merchants are compelled to market their products under prohibition-enforcement conditions, let us take the case of the 40-year-old solidified fuel known as "sterno canned heat." We are all familiar with that commodity in its self-contained tins ready for burning in the home, camp, nursery, hospital, sick room, laboratory, and other places where an emergency fuel is required. It proved of inestimable value in the districts devastated by the Florida hurricane, your own Mississippi flood, and other disasters where an emergency fuel was sorely needed. It is manufactured under a formula approved pursuant to the provisions of the Volstead Act calling for five parts of wood alcohol and a percentage of pyridine, kerosene, and solidifying chemicals which make the finished commodity—in the opinion of Commissioner Doran, the most unfit substance for beverage purposes that could possibly be conceived; and yet we find intelligent people demanding that the sale of such an essential article of everyday life be stopped or subjected to prohibitive conditions because there are degenerates who unlawfully manipulate the product and extract therefrom a liquid which they take into their stomachs, with what results only hospital and morgue records can tell! Isn't that actually glorifying degeneracy, and does not the whole situation merely call for better enforcement of the adequate United States laws on the subject, which provide severe punishment for any person who sells or uses alcoholic preparations for illegal purposes? Surely law-abiding business men are entitled to your sympathetic support instead of being harassed on all sides in their lawful pursuits. * * *

THE WET BLOC SHOULD HEED THE VOICE OF INDUSTRY

Mr. Chairman, I am not going to take more of your time. I may add some under the permission to revise and extend my remarks. I did say to the Committee on the Judiciary a few years ago, when there was a bill pending before it for the constitution of a Prohibition Unit, that prohibition had no desire to impede a legitimate industry; that prohibition had enough enemies without making any unnecessarily. A new leadership has arisen here in the wet bloc, which came in the other day with flying banners minus the milk-white charger that was brought over from Baltimore to lead the wet parade in the House in the days of John Philip Hill, but still led by Baltimore. The wet bloc from New York and Brooklyn and Detroit and Cincinnati beat the tom-toms and sought to do away with industrial alcohol on the ground that some one sometimes disregards the poison label. The wet bloc by their proposal menaced great industries. I want to commend to them these expressions from the men speaking for those industries. [Applause.]

The CHAIRMAN. The gentleman yields back five minutes. Mr. GRIFFIN. Mr. Chairman, I yield 30 minutes to the gentleman from Oklahoma [Mr. HOWARD].

The CHAIRMAN. The gentleman from Oklahoma is recognized for 30 minutes.

Mr. HOWARD of Oklahoma. Mr. Chairman and Members of the House, the word "oil" has become a magic one. It seems to enter into political campaigns, political conferences, commercial advances, and almost every branch of life at this time. I am going to talk to you for a few minutes on the question of oil.

I represent in the Congress more men and women engaged in the production of oil and natural gas than any other Member. The oil industry is comparatively a new one. Many people look upon it as a kind of a closed corporation, participated in

by a very few people. That is an erroneous idea. There are thousands of men and women in the United States engaged in this industry, Mr. Chairman, neither condoning or defending any wrongdoer. It is the men and women I am going to tell you of in the time just allotted me.

It is a sordid story of oil, politics, and public service that an investigating committee of another branch of the Congress has been bringing to light in the last few months, and especially the last few days.

If the final facts justify the conclusion, most people at this time have reached a few oilmen, a few public servants, and a few politicians have, in the Teapot Dome case, written the blackest page in the history of our Nation and deserve the condemnation of the people.

But, Mr. Chairman, it is not of their guilt that I desire to speak. It is to be hoped and believed that finally, through the established channels of justice, their guilt or innocence will be established. It is entirely of another phase of the situation I desire to address myself.

Already throughout the Nation public sentiment is beginning to hold up to derision and criticism the great oil industry by reason of the participation in this sordid story of a very few men connected with that great industry. Already those not given to an analysis, but prone to hasty decisions are glad to use this case as further evidence that public officials are not to be trusted, and on thousands of tongues and in the minds of thousands of others has and is this regrettable episode being hailed as additional proof that all men who actively participate in American politics are crooked and only waiting to take advantage of opportunity, as seems to have been done by a few crooked politicians in this case.

But, Mr. Chairman, I point out that even in this case, which shakes the Nation, a very few public servants, a very few politicians, and a very few men of the oil industry participated, and that these few do not in any way represent the hopes, ambitions, the policy, the patriotism of the millions of men and women of this country who are public servants, who take part in political questions or are engaged in the great industry of producing oil. It is of this latter class, the oil and gas producers, that I want to speak.

It has been too true now, and has been too true in the past, that whenever the oil industry is mentioned that immediately the average and uninformed mind turns to thoughts of the few oilmen involved in the most deplorable Teapot Dome scandal or think of it, as it has been too often pictured in the past, as some cloven-footed monster ready, waiting, and anxious to take advantage and devour anything and all things that may cross its path.

Mr. Chairman, that is not the true story of the oil industry at all. The few men involved in this scandal represent only that part of the oil industry represented by their numbers, which at the most is only about a dozen of the thousands engaged in the great industry, and that part that has in the past been pictured as the destroying monster in no way represents the true sentiment, policies, actions, and accomplishments of the industry as a whole. Besides them there are thousands of the best citizens of this country interested and a part of this industry—and I make the assertion that no industry in the world can boast of a larger percentage of honest, industrious, patriotic members than can the oil industry of the United States.

Mr. Chairman, I have lived and worked among and with these people for over 20 years. I know them, and when I speak of them I speak with knowledge and authority.

I hold here in my hand a telephone directory of the city of Tulsa, Okla. Hundreds of companies and individuals who produce oil have their headquarters there. Tulsa is my home city. It is the oil capital of the world. From Tulsa is directed the production of oil in every oil field of the United States and in practically every foreign country where oil is produced. This directory contains the name and address of hundreds of oil companies and individual oil producers that are of the honest, industrious, and patriotic type that I have just spoken of.

Mr. Chairman, I wish I had time to tell you the story of each of these individuals. I know most of them personally. All of them have made good in the industry. They have taken a chance with their brains and their money—the oil business is a hazardous one—and through honest dealing, upright, and patriotic policies they have been successful; and, Mr. Chairman, when success has come to them they have not ceased to be honest, patriotic, charitable, and Christian citizens; but it has been the history of practically everyone of them that when success and riches have come they have taken their success and money with them into additional fields of activity. They have become city builders; they have become the leaders in civic enterprises; they have become the greatest donors to charity; they have become the pillars of the church, both spiritually

and financially; they have become the builders of hospitals. On the subscription lists for building of both churches and hospitals their names are always found written in bold letters and followed by substantial contributions. They have become the sponsors of music, of art, of education, and morality. Especially is this true of education, for I have observed that they are leaders in educational matters; they educate their children; and in addition to this an examination of the rosters of the universities and colleges of this country will reveal that hundreds of other deserving boys and girls are being educated at the expense of liberal and patriotic oilmen. In fact, if I had time I could, without doubt, relate to you of each of them some act of charity, of civic enterprise, of religious interest, and of educational and moral nature that is outstanding and commendable.

With their own private funds—and in many cases individually—they have created endowments of universities and colleges for loaning to poor and deserving students; built monuments commemorating events and persons; given large amounts to the endowment of universities; built, maintained, and endowed a home to care for orphans; built costly and magnificent churches out of their own resources; provided parks and improved them with wading pools and playgrounds for the children; established game preserves for the protection of wild life; built and furnished homes for American Legions; subscribed liberally for maintenance of the Y. M. C. A. and Y. W. C. A.; established and maintained camps for boy scouts.

Mr. Chairman, these are but a few of the incidents and illustrations which I call to mind, and are typical of the spirit of the oil fraternity as a whole.

However, not all, by any means, of the activities of these people are confined to the men of this industry, but in each and every instance where the interests of religion, charity, education, music, art, and other uplifting activities are carried on will be found the mothers, wives, and daughters of these men just as liberal and active as they have been.

Mr. O'CONNOR of Louisiana. Will the gentleman yield?

Mr. HOWARD of Oklahoma. Yes.

Mr. O'CONNOR of Louisiana. I desire to say that I am in accord with the gentleman in respect to his observations upon the patriotism and the public spirit of many prominent oilmen throughout this country. It would be ridiculous to obliterate an industry because of the frailties of a few men who happen to be engaged in that business, but in view of the fact that the newspapers carried a statement recently to the effect that Colonel Stewart had received a great number of telegrams congratulating him upon his attitude with respect to another body in refusing to answer questions propounded to him, I want to ask the gentleman if he does not think that inasmuch as those telegrams were apparently indorsements of his course that it would be diplomatic for Colonel Stewart to give to the public the names of the senders of those telegrams?

Mr. HOWARD of Oklahoma. Well, I will suggest to the gentleman that William Edward Hickman, out in Los Angeles, received a great many telegrams from people, but there is no evidence that any telegram received by Colonel Stewart was sent to him by the people of whom I am speaking.

Mr. O'CONNOR of Louisiana. I did not mean to intimate that they sent them, but I mean the inference is to be carried from that newspaper statement that Colonel Stewart did receive a great many telegrams which were considered by him in the nature of congratulations, and knowing the interest of the gentleman from Oklahoma [Mr. Howard] in the proper advancement of every industry, I felt he might think it would be becomingly frank and sagacious for Colonel Stewart to publish these telegrams so the public might know who are in accord with him in regard to his attitude with respect to the inquiries propounded by the Senate.

Mr. HOWARD of Oklahoma. No doubt the colonel will take cognizance of the gentleman's request, and, perhaps, he will give that information. I do not know.

But, Mr. Chairman, not only should the men of an industry like this be judged by their activities in the lines I have discussed, but another yardstick that should be applied is their treatment of those who labor for them.

A few days ago we listened to the story of conditions in the coal fields of western Pennsylvania. We shuddered as we were told of the treatment accorded the miners and their families by the operators in these coal fields, and our blood boiled with indignation as we had recited to us stories of the ejectment of innocent women and children from their homes in the dead of winter.

No such scenes as these were ever enacted in the oil fields of America. Contrary to this the oilman has always looked after the welfare of his employee and family. He has realized that labor is worthy of its hire and he has practiced that policy.

He pays good wages, takes the employee into his confidence, and profits thereby. Never in the history of the oil industry, so far as I know or can learn, has there been a serious or protracted dispute between employer and employee, and I am sure that there is no more loyal employee in any industry than those of the oil industry from the roustabout, the pumper, the driller, the tool dresser, to and including the farm boss and superintendent, clerk, and stenographer.

In the story of the coal fields we were told of the stockades, shacks used for residences, the company stores that impose upon the employees, and the generally bad, even to insanitary, conditions surrounding these wage earners.

No such system as this has ever been practiced by the oilmen. Instead of stockades in every large oil field will be found community houses maintained by employer for the benefit of the employees. Instead of shacks for the homes of the employees you will find on practically every lease and in every camp modern homes built by the employer, and around these well-built and painted homes you will find flower beds, garden spots, and all other things that go to make up the conveniences of a well-regulated home. Instead of the company store you will find that the employee is treated as a free American citizen, paid his wages promptly on pay day, and allowed to spend it where and for whatever he sees fit. Instead of the insanitary conditions that seem to exist in the coal fields you will find in each and every one of these camps that steps are taken immediately by the oilmen to protect in every way the health and comfort of his employee. In every camp of any material size you will find the company physician, there without expense to the employee, to minister to his wants; you will find the trained nurse on the pay roll of the company and, in most instances, a company drug store ready to furnish such medicines and materials as are needed to relieve and prevent the suffering of the employee.

Financial honesty is the outstanding plank of the code of ethics of the real and true oilman. He is known to consider a financial obligation as sacred and binding, whether given by word of mouth or recorded in an instrument of writing.

His reputation and record in dealing with his city, his county, his State, and Government is one that will bear the closest scrutiny. Hundreds of them yearly have business dealings with the Department of the Interior of the Government, and their dealings with the State in which they are located are voluminous, and I am sure that a search of the records of any of these departments would disclose that in these dealings he has always been fair, honest, and patriotic. Illustrating, may I not call attention to the fact that for four years I was State auditor of the State of Oklahoma. Under the laws of that State the State auditor collects on behalf of the people the tax on oil and gas produced within the State. During my four years as State auditor I collected from these people in round numbers \$16,000,000. In making these collections I accepted in payment thereof the personal checks of the companies or individuals, whether executed in the accounting room or written on the floor of the derrick with a lead pencil. Remarkable as it may seem, in all this great transaction never was there one of these checks returned to me as unpaid by the bank on which it was drawn.

Permit me in closing to say that there are no more patriotic body of men and women than those connected with this industry. Illustrating, I call attention to the fact that during the Great War these men, their sons, their employees, were found in every patriotic activity from actual and effective service in the front-line trenches to the rendering of each and every duty exacted of them as citizens by their Government. They bought Liberty bonds and Government securities by the millions of dollars worth, and in all of these activities where the women participated could be found the wives, mothers, and daughters of the men of this fraternity. Not only this, but when the clouds of the war were darkest, when one of the greatest essentials of success was found to be petroleum and its products, the oil producer did not hesitate but said to his Government, "Fix the price of oil, tell us where you want it delivered, and we will furnish it." This they did, spending millions of their own money in exploiting new territory and bringing to the surface all the oil needed in that great conflict, much of this oil having been produced, refined, and crossed the ocean before the producer and refiner knew what he was to receive for it. So decisive and beneficial was this patriotic action that it has been said that in that great conflict we floated to victory on a sea of oil.

Mr. Chairman, this is but a brief résumé of some of the things which I personally know of the oil industry and the great body of citizens who go to make it up, and representing more of them in the United States Congress than any other Member, it is with the greatest degree of pride that I speak of them to-day.

In conclusion let me suggest to you that in the future when some individual in the oil industry goes wrong, you remember that he is the exception and that in no circle is he more generally condemned than by the members of the oil fraternity. And remember also, that in no industry in America is the percentage of honor, integrity, character, and patriotism higher or more jealously guarded than in the oil industry. [Applause.]

Mr. Chairman, I yield back the remainder of my time.

Mr. LINTHICUM. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record by printing an article entitled "Government poisoned alcohol," by Hugh B. Rossell.

The CHAIRMAN. The gentleman from Maryland asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

Mr. LINTHICUM. Mr. Speaker, under the leave to extend my remarks in the Record, I include the following:

GOVERNMENT-POISONED ALCOHOL

By Hugh B. Rossell.

Among the many evil consequences of prohibition, there is one in which there is no question of intoxication nor even of drinking.

Alcohol is absolutely indispensable to many useful arts and is a very useful drug in every home and workshop. We use it as the fuel for chafing dishes, spirit lamps, blowpipes, etc.; as the solvent for gums and dyes in making varnish, wood filler, or stain; as a general cleansing agent; and to prevent the freezing of water-cooled motors. It is ideal for all these purposes. It has the further advantage of being non-poisonous. No harm would result from the accidental swallowing of a small quantity, nor are the products of its combustion nor the fumes of its evaporation in any way poisonous. In all of these uses there is no question of "drinking the stuff."

The framers of the Wheeler-Voelstead law evidently appreciated these facts and made, according to their notions, provision for the people to obtain alcohol for technical purposes, but their plan, to say the least, does not work out well in practice. You can buy alcohol at any paint store or large drug store, but you do not get pure, clean alcohol. You get the Government-poisoned kind; that is, alcohol that has been heavily charged with a fearful poison, and also befouled with heavy hydrocarbons, or, in plain language, dirt. And the poison and the dirt have been added by order of the prohibition laws and regulations.

Now consider the properties of this "Government-poisoned alcohol." If swallowed, a deadly poison, identical with the venom of ants, hornets, and other insects, will be formed in the digestive organs, and death is almost certain to result. If burned, the same poison may be generated as a product of combustion. The fumes of evaporation are deadly, causing blindness, coma, and death. Many fatalities have resulted from inhaling the vapor, prohibition propagandists to the contrary notwithstanding. By contact with the skin the poisoned alcohol will cause neuritis. The person whose business requires him to handle this horrible mixture, if he values his life, should protect himself with rubber gloves and a gas mask.

Nor is this all. The "Government-poisoned alcohol" is so dirty as to be wholly unfit for many technical purposes. It will not dissolve sandarach (a fine varnish gum used like shellac, but far superior to it) with any degree of satisfaction. Its flame is more or less smutty. If used as a cleanser, it will leave a film of dirt upon the object cleaned.

There are other varieties of "Government-poisoned alcohol" besides the paint-store kind. There is the so-called medicated alcohol, which is alcohol adulterated with a powerful, evil-smelling, poisonous drug. It is almost worthless for technical purposes. Bay rum, hair tonic, "body rub," and other lotions are poisoned with "tartar emetic" or other dangerous drugs. The result is that these lotions sometimes cause illness when used and are so corrosive as to be destructive to the atomizers in which they are used. All kinds of perfumes are adulterated with "brucine," a poisonous vegetable alkaloid, almost identical with strychnine.

To sum up: The manufacturers of alcohol and alcoholic fluids are compelled by law to adulterate their products with poisons and unclean substances before they can sell them in open market. This compulsory adulteration has cost many human lives. Is there no relief?

Mr. SIMMONS. Mr. Chairman, I yield three minutes to the gentleman from Nebraska [Mr. MOREHEAD].

Mr. MOREHEAD. Mr. Chairman, I desire to present a petition from some of my constituents in Nebraska. The petition is more than 50 feet long and has some 2,000 names attached to it. I only mention this, Mr. Chairman, to show that the people are in earnest about the proposition of mixing the church and the State. This is not the only petition I have received protesting against House bill 78, or any other measure which is intended to abridge the religious ideas of the people.

Mr. SNELL. Will the gentleman yield?

Mr. MOREHEAD. Yes.

Mr. SNELL. Does the gentleman have reference to the Lankford bill?

Mr. MOREHEAD. Yes.

Mr. SNELL. Which applies to the District of Columbia?

Mr. MOREHEAD. To the District of Columbia; yes.

Mr. SNELL. I have received several petitions in regard to that bill, and it appears that a lot of people in my State are terribly disturbed about it.

Mr. MOREHEAD. Those who have signed this petition represent all the professions in which people engage in an agricultural section, and the heading of the petition is brief, so I would like to have the privilege of printing it in the RECORD. I do not ask to have the names printed, but just the heading, so that the people who have signed the petition may know I have given attention to their protest.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

The matter referred to follows:

Petition against compulsory Sunday observance

To the honorable the Senate and House of Representatives, greetings:

Believing—

(1) In the American principle of a complete separation of church and state;

(2) That Congress is prohibited by the first amendment to the Constitution from enacting any law "enforcing the proper observance" of any religious institution, or looking toward a union of church and state, or of religion in civil government;

(3) That the observance of a religious institution is a form of worship, and that all "labor, worldly business, and legitimate recreation" can only be forbidden for religious reasons;

(4) That all such legislation is opposed to the best interests of both the church and the state;

(5) That any such legislation either by Congress or the State legislatures is dangerous, and should be opposed by every lover of liberty of conscience and the voluntary exercise of religion;

Therefore we, the undersigned adult residents of Lancaster County, of the State of Nebraska, earnestly petition your honorable body not to pass H. R. 78, or any compulsory Sunday bills that have been introduced.

Mr. GRIFFIN. Mr. Chairman, I yield one minute to the gentleman from Georgia [Mr. BRAND].

Mr. BRAND of Georgia. Mr. Chairman and gentlemen of the committee, my purpose in obtaining this leave is to ask the privilege of extending my remarks on farm-relief legislation and to include a copy of a resolution which I introduced to investigate the Department of Agriculture and the activities of the New York Cotton Exchange.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent to revise and extend his remarks in the manner indicated. Is there objection?

There was no objection.

The resolution referred to follows:

Whereas the Department of Agriculture, on or about September 1, 1927, made public a report on boll-weevil conditions throughout the Cotton Belt which contained statements that were inaccurate; and

Whereas the Department of Agriculture, on or about September 15, 1927, made public a report purporting to give a reliable estimate of the world carry-over of cotton as of July 31, 1927, which contained statements that were inaccurate and based upon information received from nonofficial sources; and

Whereas the Department of Agriculture, on or about September 15, 1927, made public a report relating to the probable farm price situation during the balance of the year which contained predictions that the future trend of cotton prices would be lower; and

Whereas these reports were unauthorized and resulted in a decline of cotton prices with a loss to the farmers of the country of many millions of dollars; and

Whereas it is reported that the New Orleans, New York, and Chicago Cotton Exchanges were concerned with the issuance or publication of such reports: Therefore be it

Resolved, That the Committee on Agriculture or a duly authorized subcommittee thereof is hereby authorized and directed to make a full and complete investigation of the accuracy of such reports, to ascertain the sources of information upon which such reports were based, to investigate the activities of the New Orleans, New York, and Chicago Cotton Exchanges in connection with the issuance or publication of such reports, to investigate such other matters relating to the cotton situation since January 1, 1926, as the committee or subcommittee deems advisable, and to report thereon to the House as soon as practicable. For the purposes of this resolution such committee or subcommittee is authorized to hold hearings, to sit and act at such times and places, to employ such experts and clerical, stenographic, and other

assistance, to require by subpoena or otherwise the attendance of such witnesses and the production of such books, papers, and documents, to administer such oaths, and to take such testimony and make such expenditures as it deems advisable. The cost of stenographic service to report such hearings shall not be in excess of 25 cents per hundred words. The expenses of such committee or subcommittees, which shall not be in excess of \$, shall be paid from the contingent fund of the House.

Mr. SIMMONS. Mr. Chairman, I yield one minute to the gentleman from New York [Mr. BACON].

Mr. BACON. Mr. Chairman, yesterday, in Habana, former Secretary of State Hughes, the head of our delegation at the Pan American Union Conference, made a speech which, I think, marks a milestone along the path of permanent peace, and I ask unanimous consent to extend my remarks by inserting that speech in the RECORD.

The CHAIRMAN. The gentleman from New York asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. BACON. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following:

MR. HUGHES'S ADDRESS

HABANA, February 16.—Associated Press.—The United States was placed heartily behind the proposal to outlaw all aggressive warfare in this hemisphere and in favor of full arbitration by the speech of Charles Evans Hughes, head of the American delegation, before the session to-day of the Pan American Conference committee on public international law. Mr. Hughes's speech, in part, follows:

"It is my happy privilege to say for the United States of America that we would join most heartily in a declaration that there shall be no war of aggression in America. I am in entire accord with the proposal that we should show that this hemisphere is dedicated to the interests of peace, and that we should endeavor to find pacific solutions for all the controversies that may arise. Without suggesting any superiority for ourselves, we have very happy traditions in this hemisphere.

"Most of the controversies that have vexed us have already been settled. Very few remain. They can be adjusted peacefully. If we have this high aim of securing pacific adjustment of our difficulties, we shall not fail to attain it. I am happy to join in that effort to which, not simply speaking from the position as chairman of the American delegation—important as that is—but speaking out of my own heart I would wish to give all the strength and energy that I possess.

THREE WAYS FOR SETTLEMENT

"How shall we promote peaceful settlement? I think there are three ways:

"First. By conferences; by these important periodical meetings at which we can promote a better acquaintance and have a candid intercourse of views.

"Second. By means of conciliation—that is to say, the provision of some practical means by which when difficult situations arise reason may have its play before force takes the field.

"Third. In the judicial settlement of controversies. Reason and justice must have their institutions. They can not exist merely as abstract concepts to which we pay our verbal devotion. We must have institutions of peace. The great problem is how to establish them; how to secure agreement upon them. It is desired that we shall go as far as we can, and that then we shall endeavor, step by step, to make a progressive approach to our ideals.

"The important question before us is with respect to the project which Doctor Alfaro, of Panama, has presented. It has been subjected to an analysis in a very clear, illuminating, and forceful manner by Doctor Kira, president of the Chilean delegation. That analysis makes it unnecessary for me to dwell at length upon some of the questions involved.

INTERNATIONAL CONTROVERSIES

"Then there is a class of cases of controversies which should not be strictly regarded as international controversies at all. One State objects to the internal legislation of another State in a matter entirely within the province of that State. The objecting State should recognize that is a matter of internal government. But internal government projects in these days of intimate relations, in the actual force of its decisions into areas where other governments seek to find a freer play. So about internal questions some controversies may arise.

"All have questions in each of our countries which we think are within our competency because they relate to internal administration. I could name some, and I could go around this room and enumerate questions of that sort which I am sure many of you would never submit to arbitration.

"Now we must face the facts in this matter fairly. My conception of amity among the nations is a sort of friendship which will enable us to deal with these difficult questions in our negotiations with each

other without the effort to compel nations to relinquish rights or to change their internal organization, or to submit to the decrees of others in matters which affect internal regulations according to their conceptions of their interests. So our problem is, What progress can we make?

TREATY AND LAW CONFERENCES

"There is one class of controversies about which we can make a convention without great difficulty. Those are controversies relating to questions involving the interpretation of treaties or the principles of international law where the claims are for loss of life or personal injuries, or injuries to property and where the reparation sought is entirely pecuniary. We could have a claims convention without going into some of the difficulties which would arise in dealing with a broader convention. I do not mean to exclude the broader convention. I am simply thinking of making practical progress by having something on which we can start with a maximum of agreement. We can have two classes of convention, a convention relating to pecuniary claims and another convention relating to broader matters.

"I do not wish to detain the committee with a long statement, but I can not forbear to say that I think the project presented fails to exhaust the possibilities. While states might not be willing to submit to arbitration various delicate questions which they thought impending on the free exercise of their internal authority, still it might be possible to have joint commissions whose reports advising the different governments and legislatures would be of great value.

"In 1909 the United States made its treaty with Great Britain with respect to Canada, and established a joint commission in which each Government has an equal number of members and to which all sorts of question arising on our boundary can be referred for examination, the taking of testimony, and report to the respective Governments.

PERMANENT JOINT COMMISSION

"A nation may be willing, entirely willing, to have a permanent joint commission with its neighbor or neighbors, so that in any question that arises there may be an explanation of the questions not for the purpose of decision but so that each government may be advised of the views and findings of a commission on which they have an equal representation, and then its legislature, supreme in its sphere, can act with that knowledge. This plan has worked very well, and questions which might not perhaps have been submitted to arbitration—some of difficulty, some of delicacy—have been considered by the permanent joint commission and reports have been made which led to satisfactory adjustments.

"Let us be astute to find means suited to the different exigencies which we can not escape.

"A final word: The test of arbitration and the weakness of plans for arbitration lie in the selection of the third or fifth arbitrator, as the case may be, who actually decides the controversy. Arbitrators are selected for the respective nations, and in some historic cases the arbitrator selected by one power has not supported that power, but those cases are extremely rare. We know in advance the pivotal man, the third man, is the man who will decide. I have been in negotiations for arbitration where the names of the most distinguished jurors in the world have been submitted and eliminated.

PROJECT OF ARBITRATION

"Reference was made to the apprehension of States in regard to arbitration. They center about this selection. Now this project, when it comes to the final test where the parties do not agree, leaves the selection to chance. That is to say, if there is no agreement, two chiefs of state are to be designated, one by each party, who maintain friendly relations with both parties, but in the language of treaties and diplomacy, friendship is not the same as it is in the language of social intercourse. There are chiefs of state at times which we would not desire to select, although he would be far from suggesting that our relations in a diplomatic sense were not entirely friendly.

"These two chiefs of state, one selected by each party, are designated, and one of these is to be selected by lot, for example, the flip of a coin.

"There are two objections: The first is that it is by chance, and the whole arbitration rests upon that. The broader you make the arbitration the more important is this point. The second objection to such a method of choice is that it is essentially political. I think we should endeavor to get away from a final selection in case we could not agree upon a third arbitrator which would be in any manner influenced by political considerations. It might be impossible entirely to eliminate that feature, but we should strive in that direction in order to have an impartial, juridical settlement.

THREE CHIEFS OF STATE

"My suggestion would be that instead of providing for two chiefs of state, one to be selected by lot, that we should select three outstanding non-American jurists, who should select with a sense of responsibility of their reputation and juridical standing the third arbitrator, who in that case might more closely approach to our ideal of an impartial judge. Such jurists would be more likely to give us the selection of some one on whom we could rely as not influenced by political considerations.

"I do not wish to detain you with observations. I wish to join with you in this effort to the full extent of my ability. If we can not complete it now, let us prepare for a future day, when we can accomplish our purpose with full consideration of all the questions which necessarily arise. I desire to show to you the sincere cooperation of the United States, which is opposed to any act of aggression, which desires to see force eliminated from this hemisphere; which is seeking nothing but the good order, the importance, and the prosperity of all the American States."

The speech was received by delegates as an utterance of historical importance.

Mr. SIMMONS. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOOPER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 11133) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1929, and for other purposes, and had come to no resolution thereon.

CARILLON FOR CHURCH OF GOOD COUNSEL

Mr. GRIFFIN. Mr. Speaker, I desire to ask unanimous consent on behalf of my colleague, the gentleman from New York [Mr. CELLER], to extend his remarks in the RECORD on the subject of carillons, and also on the subject of punishment of crime.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CELLER. Mr. Speaker, I have introduced a bill to remit the duty paid by the Church of Good Counsel, Borough of Brooklyn, State of New York, on the importation of a carillon of bells which it is now using in church services. A number of similar bills have been passed by previous Congresses for Catholic churches and other denominations, and these bring up the necessity for amending the tariff law to exempt the 40 per cent duty now imposed upon the importation of bells in carillon.

The law is just only in so far as it is applicable to such bells as would involve competition with bells of American founders, but is unjust where it applies to such bells as are imported for use as a carillon, particularly in church services.

Our American bell founders can not supply bells for carillon purposes and consequently no protection of an industry is involved. The highest form of bell music, and in fact, the only form that can be defined as an art is that of carillon. There are five well-defined kinds of bells:

1. Individual bells, such as locomotive, fire, church, clock-striking bells. They usually give a signal of some sort. Little attention is paid to their musical quality.

2. Small peals: This is the collective use of bells when three or four are grouped together for sounding "bugle calls" or the gongs of "Big Ben" on the British House of Commons.

3. Ringing peals: This is the higher class of collective bells. They are found in sets of 8, 10, or 12 bells. Here the bells are swung, and they are thus called ringing peals. Their control is by means of ropes.

4. Chimes: This is a still higher class of music derived from the collective use of bells. A chime also contains 8, 10, or 12 bells, but the bells are stationary and not swung. They are sounded by means of clappers, which are connected with a console or keyboard. The notes of a chime are usually that of a major scale.

5. Carillons: The carillon differs from a chime in that it is more extensive in range of notes. It contains all the semitones of the chromatic scale. It requires bells of the finest musical quality and tone. It usually has three octaves or about 35 bells. Its maximum compass of range is 53 bells or four and one-half octaves. The action and console of a carillon is similar to the keyboard of a piano or organ. There are usually two rows for the hands and two rows for the feet. The player, who sits on a bench and plays like an organist, is called a carillonneur.

In carillon music there is a great variety of melodies, with harmonies and chords like on an organ or piano.

Frederick C. Mayer, organist and choirmaster of the United States Military Academy, says:

The art of casting and tuning bells of the highest musical quality was known and extensively practiced in Flanders several hundred years ago. But this art (of carillon), like that of the old Italian makers of master violins, soon became lost; in the case of bells the art has been rediscovered only within the present generation. This rediscovery has occurred in England, and to-day it is from this country alone that such high-quality bells, suitable for carillons, can be obtained. Thus it is

that an entirely new problem is created and a revival in the old carillon art is in full swing in England, Holland, and Belgium.

Any boy can learn to play a chime, providing he has a simple knowledge of music, within a month. But in Belgium there is a national school of carillon playing maintained by the Belgian Government, where the art of a carillonneur is taught with as great artistic thoroughness, pursued through years of serious devotion, as that connected with other branches of the art of music. The comparison of the 12-note console of what is often spoken of as our best native chime, that in the tower of the Cadet Chapel, West Point, N. Y., with the 45-note console of the finest carillon now in the world, that in the tower of the cathedral of Malines, Belgium, would be like comparing a child's toy piano keyboard of one octave of white keys only with a standard piano keyboard of full and complete compass. And the difference in the music possible from these two sets of bells is like comparing the playing of a child with that of a mature artist.

Walter Damrosch has expressed himself similarly.

Our native bell founders can not manufacture carillon. They have never tried. They probably do not know the secret underlying the beautiful tonal quality and timbre of huge bells. It has been said:

A good bell is not made by chance but is the result of a wise combination of qualities and though, a fine carillon is as precious as a violin by Stradivarius.

Most of the carillons imported in this country have been used in churches for religious purposes. Statuary, altars, hyssops, baptismal founts, shrines, relics, and so forth, used in religious services are permitted to come into this country free of duty. Why not carillons?

From a religious, cultural, and artistic standpoint any carillon set up in a church tower has a tremendous potency in any community. I would like to see encouraged in this country the art of carillon music, so that in every city, town, or hamlet they would have carillons with their bells hung in an open tower—the carillon to be the property of the community, just as a museum or the city hall are of public concern.

The sweet and tender music of the carillon would be heard miles around. In Europe, this summer, I had the exquisite pleasure of hearing carillon music. The programs included the simplest folk songs as well as compositions by Bach, Handel, Mendelssohn, and Chopin. The music afforded splendid recreation for many thousands.

It is obvious, therefore, that the present tariff on bells in carillon is unjust in that it hinders a development of an art and places handicaps upon the creation of religious music.

LET THE PUNISHMENT FIT THE CRIME

Mr. CELLER. Mr. Speaker, the Judiciary Committee of the House of Representatives will soon vote on one or two bills now before it. One bill seeks to make compulsory a jail sentence for prohibition violations, and the other would make of such violation a felony, carrying punishment of five years' imprisonment. There are many "drys" who believe that such penalties are not half severe enough, and that they should be made more barbarous—more in keeping with the "dry" credo.

In order, therefore, that they might procure the most cruel, the most refined, and most hideous forms of punishment I propose a "ferocity contest." Only "drys" shall be eligible, particularly the fanatical ones. I offer a \$100 prize to the person who shall submit the most savage and ferocious type of pain or penalty.

The following forms shall be deemed too mild and temperate for any consideration whatsoever, to wit:

Breaking at the wheel; impalement; thumbscrew, as used in the Spanish Inquisition; the "water cure" of the Philippines; the pillory; the ducking stool; banishment to Devils Island; the iron coffin; scalping; burning at the stake; burning in oil.

In England, formerly, as punishment for the crime of treason, the accused was hanged; his body was cut down while alive, then he was disemboweled, his head cut off, and his body quartered. That is what I would call a prize winner.

Another good sample would be to cut the limbs off if too long, and to stretch them if too short, to fit the Procrustean prohibition bed.

Somebody has suggested that the victims become galley slaves for the Shipping Board.

However, in order that the contestants be placed in the proper frame of mind, I suggest that in all "dry" communities a few prohibition violators be blindfolded, hands tied behind them, set up against a wall, and then all the "drys" shall be permitted to hurl knives and hatchets at them.

Address all communications to the judges of the "ferocity contest."

MACK E. VELLIE,
DRAKE KOHNAN,
BOB R. RUSS,

Room 466a, House Office Building, Washington, D. C.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. WURZBACH, for 10 days, on account of important business.

ADJOURNMENT OVER

Mr. TILSON. Mr. Speaker, I ask unanimous consent that when the House adjourns to-day it adjourn to meet on Monday.

Mr. GARNER of Texas. Mr. Speaker, reserving the right to object, may I ask the gentleman from Connecticut whether he expects to have any more Private Calendar days now that a general claims bill has been passed? What is going to be the policy from now until the end of the session with reference to the consideration of claim bills on the Private Calendar?

Mr. TILSON. The bill referred to has not been passed by the Senate and probably will not become a law for some time. I assume that we should go forward with our Private Calendar just the same as if the bill had not been passed by the House.

Mr. GARNER of Texas. It has occurred to me that if the gentleman wants the Private Calendar considered, it would not interfere usually with the membership to work on Saturday if it is generally understood there would only be considered bills on the calendar unobjected to. There is getting to be quite a long list of bills on the calendar as the gentleman no doubt has noticed.

Mr. TILSON. I have found that there are more Members interested in private bills than in any other kind, and, as many Members wish to leave the city on Saturdays, it is an inconvenience to them to stay over to watch their bills if the calendar is to be called.

Mr. GARNER of Texas. The gentleman does expect to have a Private Calendar day at an early time?

Mr. TILSON. Yes; I think there will be plenty of time after the appropriation bills are passed to consider all the bills on the Private Calendar just as we did in the last Congress. I hope to be able to do this again before adjournment.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

ADJOURNMENT

Mr. SIMMONS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 25 minutes p. m.) the House, under the order previously made, adjourned to meet on Monday, February 20, 1928, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Saturday, February 18, 1928, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON LABOR

(10 a. m.)

To divest goods, wares, and merchandise manufactured, produced, or mined by convicts or prisoners of their interstate character in certain cases (H. R. 7729).

For Monday, February 20, 1928

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Navy Department appropriation bill.

COMMITTEE ON AGRICULTURE

(10 a. m.)

To establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities in interstate and foreign commerce (H. R. 7940).

COMMITTEE ON COINAGE, WEIGHTS, AND MEASURES

(10 a. m.)

A meeting to consider the various bills on the committee calendar.

COMMITTEE ON THE CENSUS

(10.30 a. m.)

For the apportionment of Representatives in Congress among the several States under the Fourteenth Census (H. R. 27).

For the apportionment of Representatives in Congress (H. R. 130).

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. SIMMONS: Committee on Appropriations. H. R. 11133. A bill making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1929, and for other purposes; without amendment (Rept. No. 702). Referred to the Committee of the Whole House on the state of the Union.

Mr. McLEOD: Committee on the District of Columbia. H. R. 6685. A bill to regulate the employment of minors within the District of Columbia; with amendment (Rept. No. 703). Referred to the Committee of the Whole House on the state of the Union.

Mr. TEMPLE: Committee on Foreign Affairs. H. R. 8128. A bill to authorize a permanent annual appropriation for the maintenance and operation of the Gorgas Memorial Laboratory; with amendment (Rept. No. 706). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. VINSON of Georgia: Committee on Naval Affairs. H. R. 5897. A bill for the relief of Mary McCormick; without amendment (Rept. No. 704). Referred to the Committee of the Whole House.

Mr. WRIGHT: Committee on Military Affairs. H. R. 11107. A bill for the relief of William H. Estabrook; without amendment (Rept. No. 705). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, the Committee on Pensions was discharged from the consideration of the bill (H. R. 4934) granting a pension to Charles Henry Mosher, and the same was referred to the Committee on Invalid Pensions.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SIMMONS: A bill (H. R. 11133) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1929, and for other purposes; committed to the Committee of the Whole House on the state of the Union.

By Mr. JAMES: A bill (H. R. 11134) to authorize appropriations for construction at military posts, and for other purposes; to the Committee on Military Affairs.

By Mr. JOHNSON of South Dakota: A bill (H. R. 11135) to amend paragraph 12 of section 202 of the World War veterans' act, 1924; to the Committee on World War Veterans' Legislation.

By Mr. BRAND of Georgia: A bill (H. R. 11136) to amend the World War adjusted compensation act; to the Committee on Ways and Means.

By Mr. BACON: A bill (H. R. 11137) to extend the powers of pilots holding Federal licenses; to the Committee on the Merchant Marine and Fisheries.

By Mr. HUGHES: A bill (H. R. 11138) authorizing the Point Pleasant-Henderson Bridge Co., its successors and assigns, to construct, maintain, and operate a bridge across the Kanawha River at or near Point Pleasant, W. Va.; to the Committee on Interstate and Foreign Commerce.

By Mr. TILSON: A bill (H. R. 11139) for the appointment of an additional circuit judge for the second judicial circuit; to the Committee on the Judiciary.

By Mr. BULWINKLE: A bill (H. R. 11140) to provide for the inspection of the battle field of Kings Mountain, S. C.; to the Committee on Military Affairs.

By Mr. BACON: A bill (H. R. 11141) to require contractors and subcontractors engaged on public works of the United States to give certain preferences in the employment of labor; to the Committee on Labor.

By Mr. TEMPLE: A bill (H. R. 11142) to provide for the topographic mapping and the measurement of river discharge of the alluvial valley of the lower Mississippi River and in such other areas as have an immediate bearing on the solution of flood problems of the Mississippi River Basin; to the Committee on Flood Control.

By Mr. MacGREGOR: Resolution (H. Res. 116) relating to officers and employees and services of the House of Representatives; to the Committee on Accounts.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the Legislature of the State of South Carolina urging Congress to enact favorable legislation for disabled emergency Army officers of the World War; to the Committee on World War Veterans' Legislation.

By Mr. BERGER: Memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to create a special committee to thoroughly investigate the coal strike in all its phases; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Wisconsin, in favor of the passage of the Norris resolution for the earlier seating of Congress; to the Committee on Election of President, Vice President, and Representatives in Congress.

Also, memorial of the Legislature of the State of Wisconsin, memorializing the Congress of the United States to authorize and direct a full survey of the Wisconsin-Fox Rivers waterway and to enact such legislation as will result in the completion of such waterway; to the Committee on Rivers and Harbors.

Also, memorial of the Legislature of the State of Wisconsin, opposing the leasing of the water powers on the Menominee Indian Reservation to private interests; to the Committee on Indian Affairs.

Also, memorial of the Legislature of the State of Wisconsin, in favor of the early completion of the St. Lawrence seaway; to the Committee on Rivers and Harbors.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ARNOLD: A bill (H. R. 11143) granting a pension to Jane Noe; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11144) granting an increase of pension to Mary M. Campbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11145) granting an increase of pension to Matilda E. Rider; to the Committee on Invalid Pensions.

By Mr. BRITTEN: A bill (H. R. 11146) to pension Baury Bradford Richerson, formerly a cadet at the United States Military Academy at West Point, N. Y.; to the Committee on Pensions.

Also, a bill (H. R. 11147) for the relief of Medical Inspector Royall Roller Richardson, United States Navy; to the Committee on Naval Affairs.

By Mr. CAMPBELL: A bill (H. R. 11148) for the relief of Emma Hannan; to the Committee on Claims.

By Mr. CARTWRIGHT: A bill (H. R. 11149) for the relief of Albert D. Castleberry; to the Committee on Military Affairs.

Also, a bill (H. R. 11150) granting a pension to Mary A. Raglin; to the Committee on Pensions.

By Mr. COCHRAN of Missouri: A bill (H. R. 11151) for the relief of Louis Wohlfahrt; to the Committee on Naval Affairs.

By Mr. COLTON: A bill (H. R. 11152) for the relief of David Thyngerson; to the Committee on Claims.

Also, a bill (H. R. 11153) for the relief of Harry C. Tasker; to the Committee on Claims.

By Mr. DYER: A bill (H. R. 11154) for the relief of the Reliance Realty & Investment Co., a corporation, owners of the Republic Building, at the southwest corner of Seventh and Olive Streets, city of St. Louis, State of Missouri; to the Committee on Claims.

Also, a bill (H. R. 11155) granting an increase of pension to August Hoecker; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 11156) granting a pension to James Conley; to the Committee on Pensions.

By Mr. GREGORY: A bill (H. R. 11157) to authorize a preliminary survey of Mayfield Creek in Kentucky with a view to the control of its floods; to the Committee on Flood Control.

By Mrs. KAHN: A bill (H. R. 11158) providing for the advancement on the retired list of the Army of Hunter Liggett, major general, United States Army, retired; to the Committee on Military Affairs.

By Mr. KEARNS: A bill (H. R. 11159) granting an increase of pension to Eliza J. Hoop; to the Committee on Invalid Pensions.

By Mr. KENT: A bill (H. R. 11160) granting a pension to Eliza Hagenbach; to the Committee on Pensions.

Also, a bill (H. R. 11161) granting a pension to Ellen Howey Detrick; to the Committee on Pensions.

Also, a bill (H. R. 11162) granting a pension to Abel T. Rohback; to the Committee on Pensions.

Also, a bill (H. R. 11163) granting an honorable discharge to John Auge; to the Committee on Military Affairs.

Also, a bill (H. R. 11164) granting an increase of pension to Emma L. Nagle; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11165) granting an increase of pension to Mary J. Morrison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11166) granting an increase of pension to Diana Koch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11167) to reimburse Arthur Bennett for funeral expenses of Furman Anness; to the Committee on Pensions.

By Mr. MacGREGOR: A bill (H. R. 11168) granting an increase of pension to Raymond E. Daniels; to the Committee on Pensions.

By Mr. MILLIGAN: A bill (H. R. 11169) granting a pension to Eliza Buist; to the Committee on Invalid Pensions.

By Mr. MOREHEAD: A bill (H. R. 11170) granting an increase of pension to Sarah C. Lutgen; to the Committee on Pensions.

By Mr. MORGAN: A bill (H. R. 11171) granting an increase of pension to Sarah J. Penn; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11172) granting a pension to Charles R. Fischer; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 11173) granting an increase of pension to Jennie H. Burford; to the Committee on Invalid Pensions.

By Mr. SHREVE: A bill (H. R. 11174) granting an increase of pension to Anna Oldfield; to the Committee on Invalid Pensions.

By Mr. SINCLAIR: A bill (H. R. 11175) granting an increase of pension to George E. Wykoff; to the Committee on Pensions.

By Mr. SIROVICH: A bill (H. R. 11176) authorizing the Secretary of War to award a congressional medal of honor to Abraham Krotoshinsky; to the Committee on Military Affairs.

By Mr. SNELL: A bill (H. R. 11177) for the relief of Elizabeth Lizette; to the Committee on Military Affairs.

By Mr. STALKER: A bill (H. R. 11178) granting an increase of pension to Mary Keeler; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11179) granting an increase of pension to Ellen A. Searles; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11180) granting an increase of pension to Emma L. Perry; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11181) for the relief of William Parish; to the Committee on Military Affairs.

Also, a bill (H. R. 11182) for the relief of Levi Waters; to the Committee on Military Affairs.

Also, a bill (H. R. 11183) granting an increase of pension to Katherine Tipple; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11184) granting an increase of pension to Adelaide W. Pumpelly; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11185) for the relief of Ella M. Walker; to the Committee on Claims.

By Mr. TEMPLE: A bill (H. R. 11186) granting an increase of pension to Ada P. Barnhart; to the Committee on Pensions.

By Mr. VESTAL: A bill (H. R. 11187) granting a pension to Benjamin Simmons; to the Committee on Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

4062. By Mr. BACHMANN: Petition of C. E. Will and 130 other citizens of Triadelphia, W. Va., protesting against the Lankford compulsory Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

4063. By Mr. BARBOUR: Petition of residents of the seventh congressional district of California, protesting against the Lankford Sunday bill (H. R. 78); to the Committee on the District of Columbia.

4064. Also, letter of Rev. Hubert F. Doran, Methodist Episcopal Church, Hughson, Calif., and telegram of Rev. L. E. Warren, Methodist Episcopal Church, Selma, Calif., protesting against naval construction program; to the Committee on Naval Affairs.

4065. By Mr. BERGER: Petition of 945 residents of Milwaukee, against House bill 78, the Sunday compulsory observance bill for the District of Columbia, on the ground that such legislation tends to unite church and state and is therefore violative of the Federal Constitution; to the Committee on the District of Columbia.

4066. By Mr. BOWMAN: Petition from citizens of West Virginia, urging further relief to Civil War veterans and their dependents; to the Committee on Invalid Pensions.

4067. By Mr. CARSS: Petition of Mrs. Frank Somers and 96 other residents of International Falls, Minn., protesting against enactment of House bill 78, the compulsory Sunday observance bill; to the Committee on the District of Columbia.

4068. By Mr. CARTER: Petition of Charles Carroll, manager, and seven others, of Oakland, Calif., protesting against the passage of the Brookhart bill relating to the distribution of motion pictures; to the Committee on Interstate and Foreign Commerce.

4069. By Mr. CHINDBLOM: Petition of the Ravenswood Woman's Club, of Chicago, Ill., by Emma B. Werden, chairman of legislation, urging the enactment of House bill 78, the compulsory Sunday observance bill; to the Committee on the District of Columbia.

4070. By Mr. DEMPSEY: Petition of citizens of Buffalo, N. Y., protesting against the Brookhart bill, affecting the motion-picture industry; to the Committee on Interstate and Foreign Commerce.

4071. Also, petition of citizens of Niagara County, N. Y., against the bill providing for increased naval armament; to the Committee on Naval Affairs.

4072. By Mr. DRIVER: Petition signed by citizens of Paragould, Greene County, Ark., protesting against the passage of the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

4073. By Mr. ESLICK: Petition of B. F. Capps, J. C. Parks, B. P. Murphree, and others, of McEwen, Tenn.; to the Committee on the District of Columbia.

4074. By Mr. FROTHINGHAM: Petition of citizens of Easton, Mass., of Swedish birth or parentage, protesting against the national-origin clause of the present immigration law; to the Committee on Immigration and Naturalization.

4075. By Mr. GALLIVAN: Petition of Paragon Park Co., Joseph Stone, president, 53 State Street, Boston, Mass., protesting against the passage of the Lankford bill (H. R. 78); to the Committee on the District of Columbia.

4076. By Mr. GARBER: Letter of A. C. Edwards, tariff committee chairman of the United States cedar industry, protesting against the existing tariff laws on lumber; to the Committee on Ways and Means.

4077. Also, letter of Mrs. Charles A. Cruse, secretary of Washington Parent-Teacher Association, of Norman, Okla., urging the reenactment of the Sheppard-Towner bill; to the Committee on Interstate and Foreign Commerce.

4078. Also, resolution of the Carl Schurz Unit, No. 28, of the Steuben Society of America, in protest against the national-origins method of determining quotas and urge Congress to eliminate this clause from the immigration act of 1924; to the Committee on Immigration and Naturalization.

4079. By Mr. HADLEY: Petition of a number of residents of King County, Wash., protesting against the Lankford Sunday closing bill; to the Committee on the District of Columbia.

4080. By Mr. HALL of North Dakota: Petition of 69 citizens living at Dickey and La Moure Counties, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4081. Also, petition of 12 citizens living at Hurdsville, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4082. Also, petition of eight citizens living in Dickey County, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4083. Also, petition of 10 citizens living in Wells County, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4084. Also, petition of 12 citizens living in Dickey County, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4085. Also, petition of two citizens living at Velva, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4086. Also, petition of nine citizens living at Pollock, S. Dak., against House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4087. Also, petition of 55 citizens living at Dawson, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4088. Also, petition of 14 citizens living in Wells County, N. Dak., against the enactment of House bill 78, or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4089. By Mr. HOCH: Petition of Mrs. C. B. Shultz and 70 other voters of Severy, Kans., urging that immediate steps be taken to bring to a vote the bill liberalizing pension laws for Civil War veterans and widows; to the Committee on Invalid Pensions.

4090. Also, petition of J. O. Wilson and 55 adult residents of Emporia, Kans., protesting against passage of House bill 78, or any compulsory Sunday bills that have been introduced; to the Committee on the District of Columbia.

4091. By Mr. HOPE: Petition signed by citizens of the seventh Kansas district, protesting against the Lankford bill, or other compulsory legislation; to the Committee on the District of Columbia.

4092. Also, petition signed by citizens of Hutchinson, Kans., protesting against the passage of the Lankford bill, or any compulsory Sunday legislation; to the Committee on the District of Columbia.

4093. Also, petition signed by citizens of the seventh Kansas district, protesting against the passage of the Lankford bill, or any compulsory Sunday legislation; to the Committee on the District of Columbia.

4094. By Mr. JOHNSON of Oklahoma: Petition of C. A. Cox and nine other citizens of Comanche, Okla., asking the enactment of a bill to increase the pensions of Civil War veterans and their widows; to the Committee on Invalid Pensions.

4095. Also, petition of Elizabeth Burriss and 115 other citizens of Caddo County, Okla., for a bill to increase the pension of Civil War veterans and their widows; to the Committee on Invalid Pensions.

4096. By Mr. JOHNSON of South Dakota: Petition of 192 citizens of Spink County, S. Dak., protesting against the passage of the Lankford bill (H. R. 78), or any other compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4097. By Mr. LEA: Petition of 25 residents of Ferndale, Calif., protesting against compulsory Sunday legislation, and especially House bill 78; to the Committee on the District of Columbia.

4098. Also, petition of 54 citizens of Orland, Hamilton City, and Corning, Calif., protesting against Sunday observance legislation, and particularly House bill 78; to the Committee on the District of Columbia.

4099. Also, petition of 43 residents of Humboldt County, Calif., protesting against the Lankford bill (H. R. 78), and other compulsory Sunday legislation; to the Committee on the District of Columbia.

4100. By Mr. McFADDEN: Petition of residents of Hallstead, Pa., to bring to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4101. Also, petition of residents of Towanda, Pa., to bring to a vote the Civil War pension bill; to the Committee on Invalid Pensions.

4102. By Mr. MANLOVE: Petition signed by 43 citizens of Carthage, Mo., including Ezra Baker, Mrs. F. D. Garretson, and Mrs. W. A. Shank, protesting against the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

4103. Also, petition signed by 22 citizens of Joplin, Mo., including C. F. Cohen and M. Bormaster, protesting against the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

4104. Also, petition of 32 citizens of Neosho, Mo., including F. S. Hardiman and J. A. Oliver, protesting against the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

4105. Also, petition of 53 citizens of Lawrence and Barry Counties, Mo., including W. G. Coffin, of Verona, Mo., and E. H. Melton, of Jenkins, Mo., protesting against the Lankford compulsory Sunday observance bill; to the Committee on the District of Columbia.

4106. By Mr. MAPES: Petition of Rev. Robert E. Brown, pastor of Trinity Community Church, and 70 other citizens of Grand Rapids, Mich., indorsing the negotiation of treaties which will secure the abolition of war by the nations and assure the peaceful settlement of all international disputes and protesting the advancement of a great naval building program; to the Committee on Foreign Affairs.

4107. By Mr. MONAST: Petition of citizens of Pawtucket, R. I., protesting against the compulsory Sunday law; to the Committee on the District of Columbia.

4108. By Mr. MOREHEAD: Petition of voters of the first congressional district of the State of Nebraska, asking that the Lankford compulsory Sunday observance bill (H. R. 78) be not passed; to the Committee on the District of Columbia.

4109. Also, petition of voters of the first congressional district of the State of Nebraska, asking that a vote be taken on the increase of pensions of the Civil War veterans, their widows, and dependents; to the Committee on Invalid Pensions.

4110. By Mr. MORROW: Petition of Burton C. Mossman, Roswell, N. Mex., opposing Box bill, which tends to restrict Mexican immigration; to the Committee on Immigration and Naturalization.

4111. By Mrs. NORTON of New Jersey: Petition of Mrs. J. Hoeschele, 53 Hancock Avenue, Jersey City, N. J., against House bill 78; to the Committee on the District of Columbia.

4112. By Mr. O'CONNELL: Petition of the Association for the Protection of the Adirondacks, opposing the passage of the so-called McNary-Woodruff bill (S. 1181); to the Committee on Agriculture.

4113. Also, petition of the Industrial Club, Covington, Ky., favoring the repeal of the present Federal inheritance tax law; to the Committee on Ways and Means.

4114. Also, petition of the Steuben Society of America, Carl Schurz Unit, No. 28, St. Louis, Mo., protesting against the national-origin method of determining quotas, and urging Congress to eliminate this clause from the immigration act of 1924; to the Committee on Immigration and Naturalization.

4115. By Mr. ROBINSON of Iowa: Petition signed by Rev. Emil P. Frye, secretary, for the ministers of the Dubuque and Waterloo district of the Upper Iowa Conference of the Methodist Episcopal Church, against the large Navy program now under consideration; to the Committee on Naval Affairs.

4116. Also, petition protesting against the large Navy program now under consideration, from the joint district conference of the Cedar Rapids and Davenport districts of the Methodist Episcopal Church, and signed by S. C. Bretnall as secretary; to the Committee on Naval Affairs.

4117. Also, petition in opposition to the large increase in the naval-building program, signed by Rev. T. M. Nielson, pastor; F. R. Krebs, president of official board; Ray E. Ashur, secretary of official board, in behalf of the congregation of the Methodist Episcopal Church at La Porte City, Iowa; to the Committee on Naval Affairs.

4118. By Mr. SANDERS of Texas: Petition of C. H. Reese and numerous citizens of Kleberg County, Tex., in favor of a bill to prohibit gambling in cotton futures; to the Committee on Agriculture.

4119. By Mr. SELVIG: Petition of John Halvorson, of Viking, and 80 adult residents of Marshall County, Minn., in favor of the repeal of the "national origins" clause from the immigration act; to the Committee on Immigration and Naturalization.

4120. Also, petition of H. R. Klinger and three adult residents of Clair River, Minn., protesting against the passage of House bill 78; to the Committee on the District of Columbia.

4121. Also, petition of A. Svanajord and nine other residents of Goodridge, Minn., and vicinity, protesting against the passage of House bill 78; to the Committee on the District of Columbia.

4122. Also, petition of James A. Webb and 17 adult residents of Fergus Falls, Minn., protesting against a large appropriation for the United States Navy for the purpose of building battleships and other war craft; to the Committee on Appropriations.

4123. Also, petition of Benjamin A. Cram and 36 residents of Fergus Falls, Minn., protesting against the enactment of a large appropriation for the United States Navy for the purpose of building battleships and other war craft; to the Committee on Appropriations.

4124. By Mr. SHALLENBERGER: Petition of citizens of the State of Nebraska, protesting against compulsory Sunday observance; to the Committee on the District of Columbia.

4125. By Mr. SHREVE: Petition of Edward Cross and other citizens of Erie, Pa., protesting against the passage of the Lankford Sunday observance bill (H. R. 78); to the Committee on the District of Columbia.

4126. By Mr. SUMMERS of Washington: Petition signed by Dora B. Sperry and 151 others, of Pasco, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4127. Also, petition signed by Cora Bliss and 10 others, of Granger, Wash., protesting against the enactment of compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4128. Also, petition signed by Walter Colgan and 64 others, of Wapato, Wash., urging increase in pensions of Civil War veterans

and widows of Civil War veterans; to the Committee on Invalid Pensions.

4129. By Mr. STALKER: Petition of Dr. Howard A. Catlin, of Painted Post, N. Y., and other citizens of that vicinity, protesting against the enactment of House bill 78, or any compulsory Sunday observance legislation; to the Committee on the District of Columbia.

4130. By Mr. WYANT: Petition of Milton Campbell, president of H. K. Mulford Co., Philadelphia, Pa., favoring passage of House bill 9185, Cuban parcel post bill; to the Committee on Ways and Means.

4131. Also, petition of 160 members of Camp 191, Patriotic Order Sons of America, of Salina, Pa., favoring passage of House bill 10078; to the Committee on Immigration and Naturalization.

4132. Also, petition of W. J. Pierce, of Washington Camp, No. 627, Patriotic Order Sons of America, of Salina, Pa., favoring passage of House bill 10078; to the Committee on Immigration and Naturalization.

4133. Also, petition of Earl Stewart, of New Kensington Taxicab Co., favoring passage of Senate bill 2312, relating to rubber legislation; to the Committee on Interstate and Foreign Commerce.

4134. Also, petition of Mrs. Timothy J. Campbell, favoring passage of Welch bill (H. R. 6518) and Lehlbach bill (H. R. 492); to the Committee on the Civil Service.

4135. Also, petition of Washington Camp, No. 627, Patriotic Order Sons of America, favoring passage of House bill 10078; to the Committee on Immigration and Naturalization.

4136. Also, petition of Monongahela Valley Chapter, Daughters American Revolution, indorsing Navy program; to the Committee on Naval Affairs.

4137. Also, petition of 1,010 members of the Methodist Episcopal Church, of Irwin, Pa., favoring passage of Lankford Sunday rest bill for the District of Columbia; to the Committee on the District of Columbia.

SENATE

MONDAY, February 20, 1928

(Legislative day of Thursday, February 16, 1928)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 367. An act to authorize the settlement of the indebtedness of the Kingdom of the Serbs, Croats, and Slovenes;

H. R. 9285. An act to provide for the settlement of claims against the United States on account of property damage, personal injury, or death; and

H. R. 10954. An act to authorize the Secretary of the Treasury to execute agreements of indemnity to the Union Trust Co., Providence, R. I., and the National Bank of Commerce, Philadelphia, Pa.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were thereupon signed by the Vice President:

H. R. 7032. An act authorizing the Valley Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Cumberland River at or near Canton, Ky.;

H. R. 7033. An act authorizing the Valley Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Cumberland River at or near Iuka, Ky.;

H. R. 7034. An act authorizing the Midland Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Cumberland River at or near Smithland, Ky.;

H. R. 7035. An act authorizing the Midland Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, maintain, and operate a bridge across the Tennessee River at or near the mouth of Clarks River;

H. R. 7036. An act authorizing the Valley Bridge Co. (Inc.) of Paducah, Ky., its successors and assigns, to construct, main-

tain, and operate a bridge across the Tennessee River at or near Eggners Ferry, Ky.; and

H. R. 8216. An act to confer authority on the United States District Court for the Western District of Virginia to permit J. L. Sink, a bankrupt, to file his application for discharge and to authorize and empower the judge of said court to hear and determine the same.

CALL OF THE ROLL

The VICE PRESIDENT. The Senate resumes the consideration of House bill 7201, and the Senator from Nebraska [Mr. HOWELL] is entitled to the floor.

Mr. WATERMAN. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Edwards	King	Sackett
Barkley	Ferris	La Follette	Schall
Bayard	Fess	McKellar	Sheppard
Bingham	Fletcher	McLean	Shipstead
Black	Frazier	McMaster	Shortridge
Blaine	George	McNary	Smoot
Blease	Gerry	Mayfield	Steiwer
Borah	Glass	Metcalf	Stephens
Bratton	Gooding	Moses	Swanson
Brookhart	Greene	Neely	Thomas
Broussard	Hale	Norbeck	Tydings
Bruce	Harris	Norris	Tyson
Capper	Harrison	Nye	Wagner
Caraway	Hawes	Oddie	Walsh, Mass.
Copeland	Hayden	Phipps	Walsh, Mont.
Couzens	Heflin	Pine	Warren
Curtis	Howell	Pittman	Waterman
Cutting	Johnson	Ransdell	Watson
Dale	Jones	Reed, Pa.	Wheeler
Deneen	Kendrick	Robinson, Ark.	Willis
Dill	Keyes	Robinson, Ind.	

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

PETITIONS AND MEMORIALS

Mr. ODDIE presented memorials of sundry citizens of the State of Nevada, remonstrating against the passage of legislation providing for compulsory Sunday observance in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. JONES presented a resolution adopted by members of the Wenatchee Valley Church of the Brethren, of Wenatchee, Wash., favoring the adoption of arbitration treaties and treaties outlawing war between the nations, which was referred to the Committee on Foreign Relations.

He also presented a resolution adopted by members of the Wenatchee Valley Church of the Brethren, of Wenatchee, Wash., favoring the withdrawal of American marines from Nicaragua, which was referred to the Committee on Naval Affairs.

He also presented a resolution adopted by members of the Wenatchee Valley Church of the Brethren, of Wenatchee, Wash., protesting against the adoption of the proposed enlarged naval building program, which was referred to the Committee on Naval Affairs.

Mr. WILLIS presented a petition of sundry citizens of Bethel, Ohio, praying for the adoption of measures to bring about more satisfactory conditions of radio broadcasting, which was referred to the Committee on Interstate Commerce.

He also presented a petition of sundry citizens of Cincinnati, Ohio, praying for the passage of legislation granting increased pensions to Civil War Veterans and their widows, which was referred to the Committee on Pensions.

Mr. LA FOLLETTE presented a memorial numerous signed by sundry citizens of Milwaukee and vicinity, in the State of Wisconsin, remonstrating against the passage of Senate bill 1667, the so-called Brookhart bill, relative to the distribution of motion pictures in the various motion-picture zones of the country, which was referred to the Committee on Interstate Commerce.

Mr. FRAZIER presented a memorial signed by O. A. Moe and 56 other citizens of Ross, N. Dak., remonstrating against adoption of the proposed enlarged naval building program, which was referred to the Committee on Naval Affairs.

Mr. BLAINE presented a petition of 10 members of the Pottawatome Tribe of Indians residing in Wisconsin and Michigan, favoring the passage of House bill 7207, to appropriate treaty funds due the Wisconsin Pottawatome Indians, which was referred to the Committee on Indian Affairs.

He also presented a petition of 25 citizen of Barron County, Wis., praying for the passage of the so-called Shipstead bill, being the bill (S. 1481) to amend sections 11 and 12 of an act to limit the immigration of aliens into the United States, and